



GAYATRI

GAYATRI HIGHWAYS LIMITED



Package AP - 4
from Km. 108.000 to Km. 112.000

15th Annual Report
2020-21



1 Lane Completed in Km 229+900



HKR Roadways Limited

HKR Roadways Limited



4 Lane Completed in Km 204+300



Indore Dewas Tollways Limited

Indore Dewas Tollways Limited



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CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------|----------------------|
| Mr. M.V. Narasimha Rao | Independent Director |
| Mr. G. Jagannadha Rao | Independent Director |
| Mr. Krishnamurthy Chaturvedi | Independent Director |
| Ms. P. Laxmi | Independent Director |
| Mr. D. Balarama Krishna | Independent Director |
| Ms. V. Sindhuja Pothapragada | Independent Director |

KEY MANAGERIAL PERSONNEL

| | |
|------------------|--|
| Mr. K.G. Naidu | Chief Executive Officer |
| Mr. P.K. Sahoo | Chief Financial Officer |
| Mr. P. Raj Kumar | Company Secretary & Compliance Officer |

AUDIT COMMITTEE

| | |
|------------------------|----------|
| Mr. M.V. Narasimha Rao | Chairman |
| Mr. G. Jagannadha Rao | Member |
| Ms. P. Laxmi | Member |

NOMINATION AND REMUNERATION COMMITTEE

| | |
|------------------------|----------|
| Mr. G. Jagannadha Rao | Chairman |
| Mr. M.V. Narasimha Rao | Member |
| Ms. P. Laxmi | Member |

STAKEHOLDERS' RELATIONSHIP COMMITTEE

| | |
|------------------------|----------|
| Ms. P. Laxmi | Chairman |
| Mr. G. Jagannadha Rao | Member |
| Mr. M.V. Narasimha Rao | Member |

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

| | |
|------------------------|----------|
| Mr. M.V. Narasimha Rao | Chairman |
| Mr. G. Jagannadha Rao | Member |
| Ms. P. Laxmi | Member |

REGISTERED & CORPORATE OFFICE

1st Floor, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082, Telangana.
Email: cs@gayatrihighways.com
Website: www.gayatrihighways.com
CIN: L45100TG2006PLC052146

STATUTORY AUDITORS

M/s. G.S. Sai Babu & Associates
Chartered Accountants,
#11-13-15, Road No. 1, Alakapuri Colony,
S.R.K. Puram, Saroonagar,
Hyderabad-500035, Telangana

INTERNAL AUDITORS

Ms. K.V. Meher Vani
(Represented by Shalang Advisory Services (OPC) Private Limited)
Chartered Accountant
1-7-1, Level 1, TSR Complex,
Park Lane, Sardar Patel Road,
Secunderabad– 500003, Telangana.

SECRETARIAL AUDITORS

M/s. V. Shankar & Co.
Company Secretaries,
303, Block-A, Legend Commercial Complex,
3-4-770 & 136, Opposite ICICI Bank,
Above Keshav Medicals, Barkatpura,
Hyderabad-500027, Telangana.

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited,
Selenium Building, Tower No.B,
Plot No.31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana.
Tel: +91 040 67162222
Fax: +91 040 2300 1153
Email: einward.ris@kfintech.com
Website: www.kfintech.com

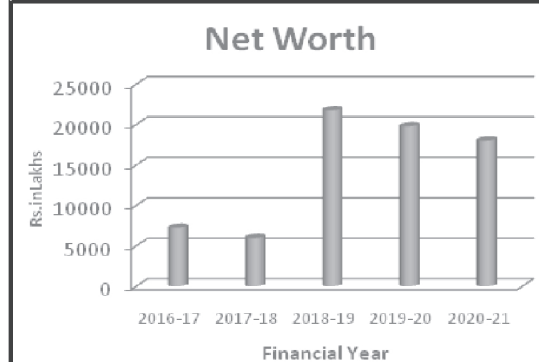
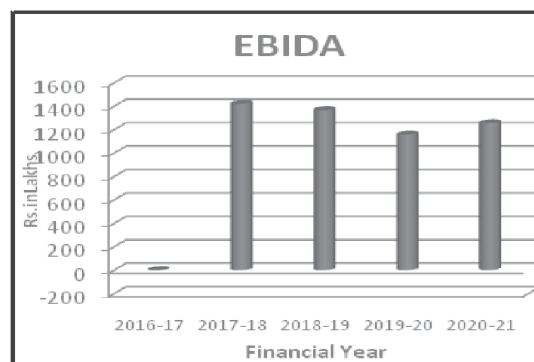
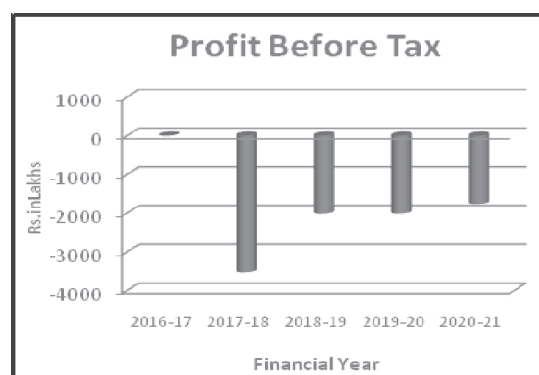
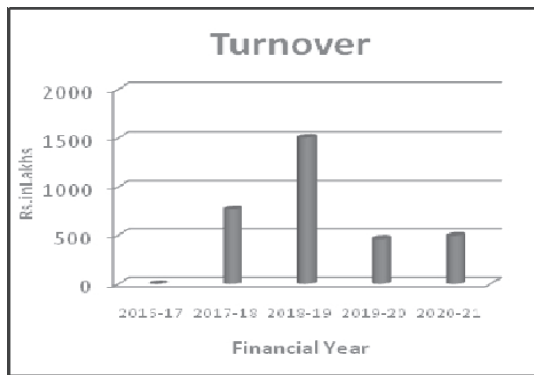
BANKERS

Canara Bank,
Somajiguda Branch
Hyderabad - 500082,
Telangana.

**Key Financial Indicators**

(Amount in ₹)

| DESCRIPTION | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|----------------------------|----------------|----------------|----------------|----------------|--------------|
| Turnover | 4,94,10,644 | 4,63,53,020 | 15,04,23,716 | 7,69,27,595 | — |
| Profit Before Tax | (17,67,24,499) | (20,11,53,073) | (20,12,99,137) | (35,32,78,344) | (23,592) |
| Profit After Tax | (17,67,24,499) | (20,11,53,073) | (20,12,99,137) | (35,32,78,344) | (23,592) |
| EBIDA | 12,54,91,195 | 11,57,47,771 | 13,68,21,972 | 14,21,64,414 | (23,592) |
| Equity Capital | 47,93,03,800 | 47,93,03,800 | 47,93,03,800 | 47,93,03,800 | 47,93,03,800 |
| Reserves & Surplus | (46,62,68,944) | (28,95,44,445) | (8,83,91,372) | 12,04,62,958 | 24,34,31,787 |
| Net Worth | 180,17,85,745 | 197,85,10,244 | 217,96,63,317 | 59,97,66,758 | 72,27,35,587 |
| Gross Block | 29,27,694 | 29,27,694 | 21,36,308 | 11,03,538 | 11,03,538 |
| Net Block | 10,30,562 | 13,98,814 | 9,28,734 | — | — |
| Book Value (Rs.) Per Share | 7.52 | 8.26 | 9.10 | 2.50 | 15.08 |
| EPS (Rs.) Basic | (0.74) | (0.84) | (0.84) | (1.47) | (0.00) |
| Face Value | ₹ 2/- | ₹ 2/- | ₹ 2/- | ₹ 2/- | ₹ 10/- |



NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of M/s. Gayatri Highways Limited will be held on Tuesday, the 28th day of September, 2021 at 3.30 P.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 2/2021 issued by Ministry of Corporate Affairs (MCA Circulars) to transact the businesses mentioned below:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the year ended 31st March, 2021 and the Board’s Report and Auditor’s Report thereon.

By the Order of the Board,
For **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
Membership No. A23289

Place: Hyderabad
Date: 09th August, 2021

**Notes:**

1. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
2. The Register of Members and Share Transfer Books of the Company will be closed from 22nd September, 2021 to 28th September, 2021 (both days inclusive).
3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days before the meeting, so as to enable the Management to keep the information ready at the meeting.
5. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
6. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, KFin Technologies Private Limited.
7. KFin Technologies Private Limited, ("KFin"), the Company's Registrar and Transfer Agent will provide the facility for voting through remote e-voting; for participating at the AGM through VC / OAVM and for e-voting during the AGM.
8. Generally, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members through electronic mode during the AGM.
The aforesaid documents along with documents referred to in the AGM Notice will also be available electronically for inspection by the Members, without payment of any fees, from the date of circulation of this Notice up to the date of AGM, i.e. 28th September, 2021. Members seeking inspection of the aforementioned documents can send an email to cs@gayatrihighways.com with the subject line –Gayatri Highways Limited.
10. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf. The documents should be emailed to cs@gayatrihighways.com and a copy marked to evoting@kfintech.com with the subject line Gayatri Highways Limited.
11. Members of the Company had approved the re-appointment of M/s G.S. Sai Babu & Associates, Chartered Accountants, Hyderabad (ICAI Regn. No.014207S), as the Statutory Auditors at the AGM held on 12th December, 2017, which is valid till the 16th AGM of the Company. In accordance with the provisions of the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.

DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:

12. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin; National

Securities Depository Limited (“NSDL”) and / or Central Depository Services (India) Limited (“CDSL”) (collectively referred to as Depositories or NSDL / CDSL).

13. The AGM Notice and the Annual Report are available on the Company’s website <https://www.gayatrihighways.com/annual-report.html> the website of KFin <https://evoting.kfintech.com> and also on those of the BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.
14. Members who have still not registered their email IDs are requested to do so at the earliest.
 - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical mode are requested to register their email ID with the Company or KFin, for receiving the AGM Notice and Annual Report. Requests can be email or by logging into <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.

We urge Members to support this Green Initiative effort of the Company and get their email ID registered.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

15. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the ‘Event’ for Company’s AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

16. Members may join the AGM through laptops, smartphones, tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Members will be required to grant access to the web-cam to enable two-way video conferencing.

17. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM. Members will be able to participate in the AGM through VC / OAVM on a first-come-first-serve basis.

Large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction of first-come first-serve basis.

18. Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
19. Members, holding shares as on the cut-off date i.e. 21st September, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on “Speaker Registration” during the period from 23rd September, 2021 (9:00 a.m. IST) upto Saturday 25th September, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab ‘Post Your Queries’ and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 5.00 p.m. (IST) on 25th September, 2021.

20. Members who need assistance before or during the AGM, relating to use of technology, can contact KFin at 1800 309 4001 or write to them at evoting@kfintech.com.

PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING THE AGM:

21. Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
22. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC /



OAVM, but will not be entitled to cast their vote once again on the resolutions. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

23. In case of any query and / or assistance required, relating to attending the AGM through VC / OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact 1800-345-4001.KFin at the email ID evoting@kfintech.com or on phone No.: 040 67162222 or call KFin's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.
24. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting services arranged by KFin. Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").
25. The remote e-voting period commences on 24th September, 2021 (9:00 a.m. IST) and ends on 27th September, 2021 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Tuesday, 21st September, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
26. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
27. Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with KFin for remote e-voting, they can use their existing User ID and password for voting.
28. In terms of SEBI e-voting Circular, e-voting process has been enabled for all 'individual demat account holders', by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s) ("DP").
29. Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFin, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.
30. The process and manner for remote e-voting and joining and voting at the AGM are explained below:
 - Step 1: Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
 - Step 2: Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.
 - Step 3: Access to join the AGM on KFin system and to participate and vote thereat.

Details on Step 1 are mentioned below:

I) Login for remote e-voting for Individual Members holding equity shares in demat mode.

| Type of Member | Login Method |
|---|--|
| Individual Members holding securities in demat mode with NSDL | <p>Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <ol style="list-style-type: none"> 1. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. 2. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. |

3. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed.
4. Click on company name i.e. 'Gayatri Highways Limited' or e-voting service provider i.e. KFin.
5. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period and voting during the AGM.

Those not registered under IDeAS:

1. Visit <https://eservices.nsd.com> for registering.
2. Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
3. Visit the e-voting website of NSDL <https://www.evoting.nsd.com/>.
4. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open.
5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.
6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.
7. Click on company name i.e Gayatri Highways Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.
8. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



| | |
|--|---|
| <p>Individual Members holding in demat mode with CDSL</p> | <p>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</p> <ul style="list-style-type: none"> i. Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii. Click on New System Myeasi. iii. Login to MyEasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. <p>2. User not registered for Easi / Easiest</p> <ul style="list-style-type: none"> i. Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. <p>3. Alternatively, by directly accessing the e-voting website of CDSL</p> <ul style="list-style-type: none"> i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Gayatri Highways Limited’ or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication. |
| <p>Individual Members login through their demat accounts / Website of Depository Participant</p> | <ul style="list-style-type: none"> i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against Gayatri Highways Limited or KFin. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

| Login type | Helpdesk details |
|---------------------------|--|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

- II) Login method for e-voting for Members other than Individual's Members holding shares in demat mode and Members holding securities in physical mode.
- (A) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin which will include details of e-voting Event Number (EVEN), USER ID and password.
- They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
 - v. Members would need to login again with the new credentials.
 - vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Gayatri Highways Limited - AGM' and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
 - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
 - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>.
 - ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com.
 - iii. Alternatively, Members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.



- iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

Details on Step 3 are mentioned below:

- III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.
 - i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/by> using the e-voting login credentials provided in the email received from the Company / KFin.
 - ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
 - iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

Other Instructions:

- I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 21st September, 2021.
- III. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21st September, 2021 may obtain the User ID and Password in the manner as mentioned below:
 - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399
Example for NSDL: MYEPWD<SPACE> IN12345612345678
Example for CDSL: MYEPWD<SPACE> 1402345612345678
Example for Physical: MYEPWD<SPACE> XXX1234567890
 - b. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Members may call KFin toll free number 1800 309 4001.
- IV. Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.
- V. The Board of Directors has appointed Mr. C. N Kranthi Kumar, Company Secretary in Practice, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- VI. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
- VII. The results declared along with the Scrutinizer's report will be forwarded to BSE Limited and National Stock Exchange of India Limited; be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website viz. <http://www.gayatrihighways.com> and that of KFin viz. <https://evoting.kfintech.com>.

By Order of the Board of Directors,
for **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
M.No: A23289

Place: Hyderabad.
Date: 09th August, 2021

BOARD'S REPORT

To
The Members,

Your Board of Directors (the 'Board') have immense pleasure in presenting the 15th Annual Report of Gayatri Highways Limited (the "GHL" or "Company"). The Board's Report is prepared based on the audited standalone financial statements of the Company for the Financial Year ended 31st March, 2021. The audited consolidated financial statements of the Company shall form part of this report.

1. FINANCIAL SUMMARY:

A) STANDALONE

The standalone financial results of your Company for the year ended 31st March 2021 are as follows:

| Sl. No. | Particulars | For the year ended 31.03.2021 (₹) (in actual) | For the year ended 31.03.2020 (₹) (in actual) |
|---------|--|---|---|
| 1) | INCOME | | |
| | Revenue from operations | 4,94,10,644 | 4,63,53,020 |
| | Other income | 9,40,10,391 | 8,86,39,931 |
| | TOTAL | 14,34,21,035 | 13,49,92,951 |
| 2) | EXPENDITURE | | |
| | Operations & Maintenance Expenses | 1,03,49,143 | 1,27,32,640 |
| | Employee Benefits Expense | — | 35,000 |
| | Finance Costs | 30,18,47,442 | 31,77,04,538 |
| | Depreciation & Amortization expense | 3,68,252 | 3,21,306 |
| | Other Expenses | 75,80,697 | 53,52,540 |
| | TOTAL | 32,01,45,534 | 33,61,46,024 |
| 3) | Loss before tax from continuing operations - Current Tax | (17,67,24,499) | (20,11,53,073) |
| 4) | Loss for the year Earnings (Loss) per Share – Basic & Diluted | (17,67,24,499) (0.74) | (20,11,53,073) (0.84) |

**B) CONSOLIDATED**

The Consolidated financial results of your company for the year ended 31st March 2021 are as follows:

| Sl. No. | Particulars | For the year ended 31.03.2021 (₹) (in actual) | For the year ended 31.03.2020 (₹) (in actual) |
|---------|---|---|---|
| 1) | INCOME | | |
| | Revenue from operations | 81,39,58,717 | 69,50,89,298 |
| | Other income | 9,50,53,033 | 7,58,23,452 |
| | TOTAL | 90,90,11,750 | 77,09,12,750 |
| 2) | EXPENDITURE | | |
| | Operations & Maintenance Expenses | 11,55,32,305 | 14,09,46,056 |
| | Employee Benefits Expense | 1,74,96,915 | 1,98,60,321 |
| | Finance Costs | 1,35,13,45,994 | 131,23,35,987 |
| | Depreciation & Amortization expense | 20,63,81,261 | 17,58,94,042 |
| | Other Expenses | 3,41,24,168 | 3,62,10,055 |
| | TOTAL | 172,48,80,643 | 168,52,46,461 |
| 3) | Loss before tax from continuing operations | (81,58,68,893) | (91,43,33,711) |
| | - Current Tax | — | — |
| | Loss for the year from continuing operations | (81,58,68,893) | (91,43,33,711) |
| | Loss before tax from discontinued operations | (247,61,18,406) | (167,68,46,610) |
| | - Current Tax | — | — |
| | Loss for the year from discontinued operations | (247,61,18,406) | (167,68,46,610) |
| 4) | Loss for the year | (329,19,87,299) | (259,11,80,321) |
| | Other comprehensive income- | | |
| | Re-measurement of the defined benefit plans | 2,758 | 1,77,644 |
| | Share of profits/ (losses) in the Jointly controlled entities | (16,22,29,301) | (22,15,76,293) |
| 5) | Total comprehensive loss for the year | (345,42,13,842) | (281,25,78,970) |
| | Earnings (Loss) per Share – Basic & Diluted | (14.41) | (11.74) |

STATE OF COMPANY'S AFFAIR :

During the year, the Company achieved revenue of Rs.14.34 Crores and net loss of Rs.17.67 Crores on a Standalone basis and the consolidated revenue was Rs.90.90 Crores for continuing operations and total net loss after non-controlling interests was Rs. 345.42 Crores. Further the Company is exploring new opportunities.

THE YEAR IN RETROSPECT

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 and are open for trading.

COMPANIES VIEW ON COVID-19

The entire world is collectively entangled in fighting the Coronavirus/ COVID-19 pandemic, businesses are facing several financial and physical hardships due to the mandatory government lockdowns. With there being no visibility regarding the duration of the lockdown coupled with the fact that no known cure or vaccine is available to fight the pandemic, everyone is left with great deal of uncertainty and anticipation over the 'new normal'.

Due to COVID-19 pandemic, there is no impact on operational revenue in the FY 2020-21. However due to shortfall of toll revenues of SPVs, there might be impact on returns from Investments in SPVs.

With respect to the Annuity projects, the subsidiaries and jointly controlled entities, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Hyderabad Expressways Limited and Cyberabad Expressways Limited have no impact due to COVID-19 pandemic during the year, as all the annuities were received and have no effect on the operations and performance of the entities.

With respect to wholly owned subsidiary Sai Maatarini Tollways Limited, due to COVID-19, the process of conciliation with NHAI is being delayed and the release of Termination Payment by NHAI is also delayed. With respect to subsidiary Indore Dewas Tollways Limited and jointly controlled entity HKR Roadways Limited, due to COVID-19, the toll collections were drastically reduced.

FUTURE OUTLOOK

The Government of India is taking every possible initiative to boost the infrastructure sector. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government. The present Projects and the opportunities in the Indian infrastructure sector provides good visibility towards a sustainable and profitable growth going forward.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

With the country's GDP regaining positive territory thanks to the base effect in the first half, followed by robust growth in the second. While the current resurgence of COVID-19 may dent prospects in the initial part of the year, vigorous vaccination efforts and improved adherence to safety protocols should spark a revival in the latter half. We therefore believe the recovery is 'delayed' and not 'derailed'.

One unintended but welcome consequence of the pandemic has been the rapid adoption of digital technologies. This was a lifeline which ensured that economies do not get paralysed due to lockdowns and other constraints. Another positive fall-out has been an increased awareness of sustainability and a more stringent emphasis on Environment Protection, Social Responsibility and Governance frameworks.

Your company is steadfast in adopting modern technologies for better execution and improving the margins going forward.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business in your Company during the year under review.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form No.MGT.9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is attached to this Board's Report as **Annexure-I**.

The Annual Return is also available on the website of the company and can be accessed at <http://www.gayatrihighways.com/annual-report.html>

BOARD MEETINGS

During the year ended 31st March, 2021, Five Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 23rd June, 2020, 24th July, 2020, 28th August, 2020, 04th November, 2020 and 02nd February, 2021.

The Company has availed the one-time relaxation of the gap between 2 consecutive board meetings provided by the Ministry of Corporate Affairs vide General Circular No. 11/2020 dated 24 th March, 2020 as a special measure to reduce the compliance burden and other risks in view of COVID-19. So, the interval of Board Meetings held between First Quarter (January to March, 2020) and Second Quarter (April to June, 2020) can be 180 days instead of 120 days for the purposes of section 173 of the Companies Act, 2013.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2021.

| Name of the Director | Number of Board Meetings | | |
|------------------------------|--------------------------|----------|--------------------|
| | Held | Attended | Entitled to attend |
| Mr. M.V. Narasimha Rao | 5 | 5 | 5 |
| Mr. G. Jagannadha Rao | 5 | 5 | 5 |
| Ms. P. Laxmi | 5 | 5 | 5 |
| Mr. Krishnamurthy Chaturvedi | 5 | 5 | 5 |
| Mr. Desina Balarama Krishna | 5 | 3 | 3 |
| Ms. V. Sindhuja Pothapragada | 5 | 3 | 3 |

AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

Mr. M.V. Narasimha Rao - Chairman
 Mr. G. Jagannadha Rao - Member
 Ms. P. Laxmi - Member

During the financial year ended 31st March, 2021, Four 4 meetings were held by the Audit Committee on 23rd June, 2020, 24th July, 2020, 04th November, 2020 and 02nd February, 2021.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Company has a Nomination, Remuneration and Evaluation Policy in place and is made available on Company's website, and can be accessed at:
<http://www.gayatrihighways.com/corporate-governance.html>

The Nomination and Remuneration Committee discusses and decides the appointment of the Board of Directors and Key Managerial Personnel and their remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Act.

The Committee is headed by Mr. G. Jagannadha Rao as Chairman and Mr. M.V. Narasimha Rao and Ms. P. Laxmi as members of the Committee.

During the financial year ended 31st March, 2021, one meeting was held by the Nomination and Remuneration Committee on 28th August, 2020.

The Nomination, Remuneration & Evaluation Policy is annexed as **Annexure-II**.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- that such accounting policies were selected and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2021 and of the profit of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. that directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report is **NOT APPLICABLE**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Krishnamurthy Chaturvedi was appointed as an Additional Director (Independent category) with effect from 14 th February, 2020 and was appointed by the members as a Director in the category of Independent Director of the Company in the 14 th AGM held on 29 th September, 2020.

Mr. Desina Balarama Krishna and Ms. V. Sindhuja Pothapragada were appointed as an Additional Director (Independent Category) with effect from 28 th August, 2020 and were appointed by the members as a Director in the category of Independent Director of the Company in the 14 th AGM held on 29 th September, 2020.

RETIREMENT OF DIRECTORS BY ROTATION

Directors are not required to retire by rotation.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their declaration of independence as required under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations.

REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS DATABANK

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

CONFIRMATION FROM THE BOARD ON FULFILLMENT OF THE INDEPENDENCE CRITERIA OF INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations / disclosures on record and acknowledging the veracity of the same concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

AUDITOR'S REPORT

There are no qualifications in the Auditor's Report issued by M/s. G.S. Sai Babu & Associates, Chartered Accountants, the Auditors of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The full particulars of the loans given, investment made or guarantee given or security provided under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangements with the Related Parties during the financial year. Therefore, reporting of such particulars in Form AOC-2 is not applicable to your Company.

TRANSFER OF AMOUNT TO RESERVES

Since the Company has not made any profits for the Financial Year ended 31st March, 2021, the Company does not propose to transfer any amount to reserves.

DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares or Preference Shares for the financial year ended 31st March, 2021.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**A. CONSERVATION OF ENERGY: Not Applicable**

- i) the steps taken or impact on conservation of energy;
- ii) the steps taken by the company for utilising alternate sources of energy;
- iii) the capital investment on energy conservation equipments;

B. TECHNOLOGY ABSORPTION: Not Applicable

- i) the efforts made towards technology absorption;
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv) the expenditure incurred on Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Not Applicable

Total Foreign Exchange Earned: Nil

Total Foreign Exchange Outgo: Nil

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has implemented a Risk Management Policy and the regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company as it does not fall under the category of top [1000] listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year.

The Company has implemented a standard operating procedure for all accounting and financial matters to reduce accounting and financial risk to minimal levels and to ensure that the financial statements are free of material misstatements.

POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

The Company has Corporate Social Responsibility Policy in place and is made available on Company's website, and can be accessed through the weblink: <http://www.gayatrihighways.com/corporate-governance.html>

The Corporate Social Responsibility committee was constituted as follows:

Mr. M.V. Narasimha Rao – Chairman
 Mr. G. Jagannadha Rao – Member
 Ms. P. Laxmi – Member

During the financial year ended 31st March, 2021, there was no requirement for the Committee to hold meetings. The Committee shall hold meeting as and when required by the Company.

Since there are no profits in the Company for the preceding 3 years, the Company was not required to spend any amount towards Corporate Social Responsibility.

The Corporate Social responsibility policy of the Company is annexed herewith as **Annexure-III**.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Indian Accounting Standards Ind AS – 110, Ind AS – 28 and Ind AS 31 issued by the Institute of Chartered Accountants of India and specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, your Board is attaching the Consolidated Financial Statements for the financial year ended 31st March 2021, which forms part of the Annual Report and accounts.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.gayatrihighways.com and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ended 31st March 2021, your Company has five subsidiaries and three joint venture companies and are as follows:

Subsidiaries:

Indore Dewas Tollways Limited
 Sai Maatarini Tollways Limited
 Gayatri Jhansi Roadways Limited
 Gayatri Lalitpur Roadways Limited
 Balaji Highway Holdings Private Limited*

Jointly Controlled Entities:

Hyderabad Expressways Limited
 Cyberabad Expressways Limited
 HKR Roadways Limited

A statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures in Form AOC - 1 is enclosed herewith as **Annexure-IV**.



We would like to inform you that our wholly owned subsidiary 'Sai Maatarini Tollways Limited' (SMTL) has issued a notice dated 9th March 2019 of "Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)" to NHAI to terminate the concession agreement and also issued "Termination Notice for the Force Majeure (Political Event) on 27th March 2019.

NHAI had issued a Notice dated 10.04.2019 of "Intention for Termination under clause 37 of the concession agreement dated 28.09.2011" stating default of the concessionaire. In response to this notice, SMTL replied in detail to NHAI that the default is not on part of the Concessionaire. Later the Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Based on that NHAI withhold the termination for 9 months.

There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020.

SMTL, based on Authority's default, has raised a claim of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1,999.28 Crs) strictly adopting the relevant clauses of the Concession Agreement.

SMTL has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21st December, 2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,765.08 Crore (Rs. 1,961.2 X 90%) as per the provisions of the Concession Agreement.

This Petition was filed to protect the interest of the lenders and to remit an amount of Rs. 1,765.08 Crores to the Consortium of Lenders.

The proceedings of CCIE started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation. The company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.

SMTL engaged Deloitte as an exclusive financial advisor, based on the Deloitte report, SMTL wrote a letter to NHAI GM(T) dated 17.11.2020 requesting to release the Termination payment. As per the discussions with NHAI Officials it is found that NHAI is going to pay a mere amount towards Termination Payment.

The NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs an amount of Rs. 34,606 Lakhs is credited to the Companies Escrow account on 31.03.2021.

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule(2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, whereas the case is listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020.

Whereas, Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (Order Application) for recovery of debts of Rs.2051,21,51,325.42 Ps on 05.10.2020, whereunder SMTL directed to file Written Statement . SMTL received all the documents on 17.03.2021 and they have to file the counter petition.

*During the Financial Year 2020-21, Balaji Highway Holdings Private Limited has become the Company's subsidiary.

No Company ceased to be the Company's subsidiary, joint venture or associate company.

PERFORMANCE AND CONTRIBUTION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As per Rule 8 of Company's (Accounts) Rules, 2014 a Report on the financial performance of subsidiaries, associates and joint venture companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2021 is enclosed as **Annexure-V**.

DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations during the financial year.

STATUTORY AUDITORS

M/s G.S. Sai Babu & Associates, Chartered Accountants, bearing ICAI Regd. No. 014207S, were appointed as statutory auditors of the Company to hold office from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Hence, the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has ensured that appropriate policies and procedures are adopted for ensuring orderly and efficient conduct of the business, including adherence to Company's policies, the safeguarding of its assets, prevention and detection of fraud and error, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information. The Company has Internal Financial Controls with reference to the Financial Statements commensurate with the size of the operations of the Company and adequate and operating efficiently.

SHARE CAPITAL

The Paid-up Share Capital of the Company as on 31st March, 2021 is Rs. 2,156,306,800 divided into 239,651,900 Equity Shares of Rs.2/- each fully paid up and 167,700,300 9% Non-convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this Report and provides details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., infrastructure BOT, Annuity projects and their adequacy, Risk Management Systems and other material developments during the financial year. The Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, is enclosed as **Annexure-VI**.

CEO AND CFO CERTIFICATION

The annual certification given by the Chief Executive Officer and Chief Financial Officer of the Company is published in this Annual Report.

SECRETARIAL AUDITORS REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s V. Shankar & Co., Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended 31st March, 2021. The Secretarial Auditors Report issued in Form MR-3 is annexed to this Board's Report as **Annexure-VII**.

The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks or disclaimer.

**SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARIES**

The Secretarial Audit of Material Unlisted Subsidiaries of your Company i.e., Gayatri Jhansi Roadways Limited (GJRL), Gayatri Lalitpur Roadways Limited (GLRL), Indore Dewas Tollways Limited (IDTL) and Sai Maatarini Tollways Limited (SMTL) for the Financial Year ended March 31, 2021 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of all the above mentioned Material Unlisted Indian Subsidiaries issued by Mr. C.N.Kranthi Kumar, Company Secretary in Practice does not contain any qualifications, reservations or adverse remarks or disclaimers.

The Secretarial Auditors Report of GJRL, GLRL, IDTL and SMTL in Form MR-3 are annexed to this Board's Report as **Annexure-VII (A), (B), (C) and (D)** respectively.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an check by the Practicing Company Secretary on annual basis on compliance of all applicable Securities and Exchange Board of India Regulations and circulars/ guidelines issued thereunder for the Financial Year ended March 31, 2021 as per SEBI Circular No. CIR/CFD/CMD1/27/2019, Dated February 08, 2019. The Annual Secretarial Compliance Report issued by Mr. C.N.Kranthi Kumar, Company Secretary in Practice has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year March 31, 2021 and same is annexed to this Board's Report as **Annexure-VII (E)**.

EXPLANATIONS OR COMMENTS BY THE BOARD ON AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

There are no qualifications or reservations or adverse remarks or disclaimers made by the Auditors in their Independent Auditor's Report for Standalone and Consolidated Financial Statements. Therefore, no explanations or comments from the Board are required.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their Secretarial Audit Report. Therefore, no explanations or comments from the Board are required.

DETAILS OF FRAUDS

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed Ms. K.V. Meher Vani, Chartered Accountant (M.No.214471) (Rep. by Shalang Advisory Services (OPC) Private Limited) as an Internal Auditor to conduct Internal Audit of the Company.

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as **Annexure-VIII** as a part of the Annual Report along with the certificate from the Company Secretary in Practice regarding compliance of conditions of corporate governance.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company had been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company are covered under the Whistle Blower Policy.

MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, a meeting of the Independent Directors of the Company was held in the financial year on 02nd February, 2021, without the attendance of Non-Independence Directors and members of the management.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are not applicable to the Company and the constitution of Internal Complaints Committee is also not applicable to the Company.

ENVIRONMENT, HEALTH AND SAFETY

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and well-being of every person.

The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS) and is preparing and presenting its financial statements in Ind AS starting from the Financial Year 2016-17 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth. During the year, the Company maintained a record of peaceful employee relations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

ACKNOWLEDGEMENTS

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/ Associates, Financial Institutions, Insurance Companies, Central and State Government Departments for their continued support and encouragement to the Company.

We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board

Place: Hyderabad
Date: 09th August, 2021

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN: 08661228

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2021**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS: | |
|---|---|
| CIN | L45100TG2006PLC052146 |
| Registration Date | 28/12/2006 |
| Name of the Company | Gayatri Highways Limited |
| Category / Sub-Category of the Company | Company Limited by Shares / Non Government Company |
| Address of the Registered Office and contact details | 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: cs@gayatrihighways.com Website: www.gayatrihighways.com Tel: 040-23310330 Fax: 040-23398435 |
| Whether listed company - Yes / No | Yes - Listed Company |
| Name, address and contact details of Registrar and Transfer Agent, if any | KFin Technologies Private Limited, Selenium Building, Tower No. B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana. Tel: +91 040 67162222 Fax: +91 40 2300 1153 Email : einward.ris@kfintech.com Website : www.kfintech.com |

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|----------------|--|---|---|
| 1 | Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways | 412101 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Sai Maatarini Tollways Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. | U45400TG2011PLC076396 | Subsidiary | 100 | 2(87) |
| 2 | Indore Dewas Tollways Limited, 6-3-1090, B1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. | U45200TG2010PLC068238 | Subsidiary | 66.64 | 2(87) |
| 3. | Gayatri Jhansi Roadways Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. | U50403TG2006PLC050569 | Subsidiary | 51 | 2(87) |
| 4. | Gayatri Lalitpur Roadways Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. | U45203TG2006PLC050554 | Subsidiary | 51 | 2(87) |
| 5 | Balaji Highways Holding Private Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. | U45400TG2010PTC068181 | Subsidiary | 99.99 | 2(87) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 1st April, 2020 | | | | No. of Shares held at the end of the year 31st March, 2021 | | | | % Change during the year |
|--|--|----------|---------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) |
| A. Promoter and Promoters Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | 8,41,54,710 | - | 8,41,54,710 | 35.12 | 8,41,54,710 | - | 8,41,54,710 | 35.12 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 6,24,00,000 | - | 6,24,00,000 | 26.04 | 6,24,00,000 | - | 6,24,00,000 | 26.04 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other (Relatives) | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1): | 14,65,54,710 | - | 14,65,54,710 | 61.15 | 14,65,54,710 | - | 14,65,54,710 | 61.15 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2): | - | - | - | - | - | - | - | - | - |



| | | | | | | | | | |
|---|---------------------|--------------|---------------------|---------------|---------------------|--------------|---------------------|---------------|--------------|
| 2Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | 14,65,54,710 | - | 14,65,54,710 | 61.15 | 14,65,54,710 | - | 14,65,54,710 | 61.15 | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds /UTI | - | - | - | - | - | - | - | - | - |
| b) Financial Institutions / Banks | 100 | - | 100 | - | - | - | - | - | - |
| c) Central Govt. State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| e) Insurance Companies | - | - | - | - | - | - | - | - | - |
| f) Foreign Institutional Investors | 4,02,95,337 | - | 4,02,95,337 | 16.81 | 1,67,35,015 | - | 1,67,35,015 | 6.98 | -9.83 |
| g) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h) Qualified Foreign Investory | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1): | 4,02,95,437 | - | 4,02,95,437 | 16.81 | 1,67,35,015 | - | 1,67,35,015 | 6.98 | -9.83 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | 12344797 | - | 12344797 | 5.15 | 2080621 | - | 2080621 | 0.87 | -4.28 |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 16360744 | 2281 | 16363025 | 6.83 | 26240741 | 2281 | 26243022 | 10.95 | 4.12 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 16978140 | - | 16978140 | 7.08 | 29279811 | - | 29279811 | 12.22 | 5.13 |
| c) Others | | | | | | | | | |
| Clearing Members | 333405 | - | 333405 | 0.14 | 9790744 | - | 9790744 | 4.09 | 3.95 |
| Directors | 75 | - | 75 | - | - | - | - | - | - |
| Investor Education and Protection Fund | 1560 | - | 1560 | - | 1560 | - | 1560 | 0.00 | 0.00 |
| Non Resident Indians | 6676766 | - | 6676766 | 2.79 | 8044305 | - | 8044305 | 3.36 | 0.57 |
| NRI Non-Repatriation | 103985 | - | 103985 | 0.04 | 922112 | - | 922112 | 0.38 | 0.34 |
| (d) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2): | 5,27,99,472 | 2,281 | 5,28,01,753 | 22.03 | 7,63,59,894 | 2281 | 7,63,62,175 | 31.86 | 9.83 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 9,30,94,909 | 2,281 | 9,30,97,190 | 38.85 | 9,30,94,909 | 2281 | 9,30,97,190 | 38.85 | - |
| C. Shares held by Custodian against which Depository Receipts have been issued | | | | | | | | | |
| Grand Total (A+B+C) | 23,96,49,619 | 2281 | 23,96,51,900 | 100.00 | 23,96,49,619 | 2,281 | 23,96,51,900 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| S. No. | Shareholders Name | Shareholding at the beginning of the year 1st April, 2020 | | | Shareholding at the end of the year 31st March, 2021 | | | % change in shareholding during the year |
|--------|-------------------------------|---|----------------------------------|--|--|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Mr. T. V. Sandeep Kumar Reddy | 2,70,19,810 | 11.27 | 100 | 2,70,19,810 | 11.27 | 100 | 0.00 |
| 2 | Ms. T. Indira Subbarami Reddy | 5,71,29,500 | 23.84 | 100 | 5,71,29,500 | 23.84 | 100 | 0.00 |
| 3 | Ms. T. Sarita Reddy | 800 | 0.00 | - | 800 | 0.00 | - | 0.00 |
| 4 | M/s. Gayatri Projects Limited | 6,24,00,000 | 26.04 | 99.84 | 6,24,00,000 | 26.04 | 99.84 | 0.00 |
| 5 | Mr. J. Brijmohan Reddy | 2250 | 0.00 | - | 2250 | 0.00 | - | 0.00 |
| 6 | Ms. G. Sulochanamma | 2350 | 0.00 | - | 2350 | 0.00 | - | 0.00 |
| | Total | 14,65,54,710 | 61.15 | 99.93 | 14,65,54,710 | 61.15 | 99.93 | 0.00 |

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| S. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 14,65,54,710 | 61.15 | — | — |
| | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/ bonus/sweat equity etc): | — | — | — | — |
| | At the end of the year | 14,65,54,710 | 61.15 | — | — |



iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Increase/Decrease in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|-----------------------------------|---------------|----------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Date | No. of Shares | Reason | No. of Shares | % of total shares of the Company |
| 1 | GMO Emerging Markets Fund, a Series of GMO Trust | 1,22,64,578 | 5.12 | 31/03/2020 | - | - | 1,22,64,578 | 5.12 |
| | | | | 19/06/2020 | -1,82,586 | Sale | 1,20,81,992 | 5.04 |
| | | | | 26/06/2020 | -3,56,501 | Sale | 1,17,25,491 | 4.89 |
| | | | | 30/06/2020 | -9,73,823 | Sale | 1,07,51,668 | 4.49 |
| | | | | 03/07/2020 | -11,00,000 | Sale | 96,51,668 | 4.03 |
| | | | | 10/07/2020 | -1,71,000 | Sale | 94,80,668 | 3.96 |
| | | | | 17/07/2020 | -94,80,668 | Sale | 0 | 0.00 |
| | | | | 31/03/2021 | - | - | 0 | 0.00 |
| 2 | GMO Emerging Domestic Opportunities Fund, A Series | 1,06,83,040 | 4.46 | 31/03/2020 | - | - | 1,06,83,040 | 4.46 |
| | | | | 12/06/2020 | -7,33,640 | Sale | 99,49,400 | 4.15 |
| | | | | 19/06/2020 | -3,48,405 | Sale | 96,00,995 | 4.01 |
| | | | | 26/06/2020 | -3,74,611 | Sale | 92,26,384 | 3.85 |
| | | | | 30/06/2020 | -9,78,052 | Sale | 82,48,332 | 3.44 |
| | | | | 03/07/2020 | -16,50,000 | Sale | 65,98,332 | 2.75 |
| | | | | 10/07/2020 | -3,53,555 | Sale | 62,44,777 | 2.61 |
| | | | | 17/07/2020 | -62,44,777 | Sale | 0 | 0.00 |
| | | | | 31/03/2021 | - | - | 0 | 0.00 |
| 3 | JM Financial Services Ltd. | 500 | 0.00 | 31/03/2020 | - | - | 500 | 0.00 |
| | | | | 31/03/2021 | 91,26,007 | Purchase | 91,26,507 | 3.81 |
| | | | | 31/03/2021 | - | - | 91,26,507 | 3.81 |
| 4 | Mentor Capital Limited | 91,26,007 | 3.81 | 31/03/2020 | - | - | 91,26,007 | 3.81 |
| | | | | 31/03/2021 | -91,26,007 | Sale | 0 | 0.00 |
| | | | | 31/03/2021 | - | - | 0 | 0.00 |
| 5 | Alpana Mundra | 5,00,000 | 0.21 | 31/03/2020 | - | - | 5,00,000 | 0.21 |
| | | | | 17/07/2020 | 58,60,000 | Purchase | 63,60,000 | 2.65 |
| | | | | 27/11/2020 to 11/11/2020 | -22,60,000 | Sale | 41,00,000 | 1.71 |

| | | | | | | | | |
|----|--|-----------|------|-------------|------------|----------|-----------|------|
| | | | | 31/03/2021 | - | - | 41,00,000 | 1.71 |
| 6 | Stichting Depository APG Emerging Markets Equity P | 52,65,666 | 2.20 | 31/03/2020 | - | - | 52,65,666 | 2.20 |
| | | | | 31/03/2021 | - | - | 52,65,666 | 2.20 |
| 7 | Satpal Khattar | 51,79,335 | 2.16 | 31/03/2020 | - | - | 51,79,335 | 2.16 |
| | | | | 31/03/2021 | - | - | 51,79,335 | 2.16 |
| 8 | Afrin Dia | 30,00,000 | 1.25 | 31/03/2020 | - | - | 30,00,000 | 1.25 |
| | | | | 31/03/2021 | - | - | 30,00,000 | 1.25 |
| 9 | Sparrow Asia Diversified Opportunities Fund | 26,05,980 | 1.09 | 31 /03/2020 | - | - | 26,05,980 | 1.09 |
| | | | | 26/02/2021 | 20,32,920 | Purchase | 46,38,900 | |
| | | | | 31/03/2021 | - | - | 46,38,900 | 1.94 |
| 10 | Leman Diversified Fund | 20,40,105 | 0.85 | 31/03/2020 | - | - | 20,40,105 | 0.85 |
| | | | | 26/02/2021 | -20,40,105 | Sale | 0 | 0.00 |
| | | | | 31/03/2021 | - | - | 0 | 0.00 |

(v) Shareholding of Directors and Key Managerial Personnel:

| S. No | For Each of the Director and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | — | — | — | — |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the End of the year | — | — | — | — |

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|----------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 327,02,72,642 | - | 327,02,72,642 |
| ii) Interest due but not paid | - | 7,88,88,016 | - | 7,88,88,016 |
| iii) Interest accrued but not due | - | 60,37,21,082 | - | 60,37,21,082 |
| Total (i+ii+iii) | - | 395,28,81,740 | - | 395,28,81,740 |
| Change in Indebtedness during the financial year | - | - | - | - |
| Addition | - | 9,31,84,931 | - | 9,31,84,931 |
| Reduction | - | - | - | - |
| Net Change | - | 9,31,84,931 | - | 9,31,84,931 |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | - | 326,82,87,541 | - | 326,82,87,541 |
| ii) Interest due but not paid | - | 2,31,27,778 | - | 2,31,27,778 |
| iii) Interest accrued but not due | - | 75,46,51,352 | - | 75,46,51,352 |
| Total (i+ii+iii) | - | 404,60,66,671 | - | 404,60,66,671 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---------|---|-------------------------|---|--------------|
| 1. | Gross Salary | - | - | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | - | - | - |
| | Ceiling as per the Act | - | - | - |

B. Remuneration to other directors:
1. Independent Directors

| Sl. No. | Particulars of Remuneration | Name of Director | | | | | | Total Amount |
|---------|--|--------------------|------------------|----------|-------------------|---------------|---------------------|--------------|
| | | M.V. Narasimha Rao | G.Jagannadha Rao | P. Laxmi | Ch. Krishnamurthy | P.V. Sindhuja | D. Balarama Krishna | |
| | -Fee for attending Board/ Committee Meetings | 2,40,000 | 2,40,000 | 2,40,000 | 1,20,000 | 80,000 | 80,000 | 10,00,000 |
| | -Commission | - | - | - | - | | | |
| | - Others, please specify | - | - | - | - | | | |
| | Total (B)(1) | 2,40,000 | 2,40,000 | 2,40,000 | 1,20,000 | 80,000 | 80,000 | 10,00,000 |

2. Other Non Executive Directors

| Sl. No. | Particulars of Remuneration | | Total Amount |
|---------|--|---|--------------|
| | -Fee for attending Board/ Committee Meetings | - | - |
| | -Commission | - | - |
| | - Others, please specify | - | - |
| | Total (B)(2) | - | - |
| | Total (B)= (B)(1)+ (B)(2) | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|-----------|---|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| | as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | - | - | - | - |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -N.A.-**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

For and on behalf of the Board

Place: Hyderabad
Date: 09th August, 2021

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

NOMINATION, REMUNERATION & EVALUATION POLICY GAYATRI HIGHWAYS LIMITED

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three Independent non-executive Directors as required under Listing Regulations.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To lay down criteria, determine terms and conditions and guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of Board, its committees and individual directors of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- e) to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- f) to ensure that the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short term performance objects appropriate to the working of the Company and its goals.

III. DEFINITIONS

- “Board” means Board of Directors of the Company.
- “Company” means “Gayatri Highways Limited.”
- “Employees’ Stock Option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a predetermined price.
- “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.
- “Key Managerial Personnel” (KMP) means:
 - o Chief Executive Officer or the Managing Director or the Manager,
 - o Company Secretary,
 - o Whole-time Director,
 - o Chief Financial Officer,
 - o Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - o Such other officer as may be prescribed.
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- “Policy or This Policy” means, “Nomination, Remuneration & Evaluation Policy.”
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.



- “Senior shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- The quorum for the Committee meetings shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

X. COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years.
Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

• **Term / Tenure:**

1. **Managing Director/Whole-time Director/Manager (Managerial Person):**
The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:**
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and on the basis of the report of performance evaluation of independent directors and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 7th February, 2018 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

- The Committee shall carry out evaluation of performance of every performance of Board, its committees and individual directors, KMP and Senior Management at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Managing Director, Whole time Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

General:

1. The remuneration / compensation / commission etc. to Managerial Person, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the of the Company, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such.

3. Provisions for excess remuneration:

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval required under this section, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

The company shall not waive the recovery of any sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

• **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

XIV. CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

(a) Qualifications of Non-Independent Director:

A Non-Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

(b) Positive attributes of Non-Independent Directors:

A Non-Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively, exercise his responsibilities in a bonafide manner in the interest of the company, devote sufficient time and attention to his obligations as Director, for informed and balanced decision making and assist the company in implementing the best Corporate governance practices.

(c) Independence of Independent Directors:

In addition to (a) and (b) above, an Independent Director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning the independence of directors.

XV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XVI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR Policy of the Company:

Gayatri Highways Limited (GHL) and its subsidiary companies (which qualifies criteria provided in the Companies Act, 2013) will take up CSR activities. The amounts will be spent by GHL and its subsidiary companies jointly /severally for undertaking CSR activities. CSR activities will be undertaken in such geographical limits in which the contributing companies have ongoing interest in either construction, maintenance or toll operations, the respective CSR Committee may approve the locations and decide on priority for undertaking the selected activities from amongst the areas of operations of the respective company, The guiding factor will be the large presence of deprived sections the society in the proximity of our projects. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company. GHL Group will select all or any of the following CSR activities for implementation in the area of its operations, namely:

- Eradicating extreme hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;
- Promotion of education including special education ;
- Promoting gender equality and empowering women;
- Ensuring environmental sustainability and ecological balance;
- Rural Development Projects;
- Social business projects;
- Disaster Relief;

2. Composition of CSR Committee:

| S.No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-------|------------------------|--------------------------------------|--|--|
| 1 | Mr. M.V. Narasimha Rao | Chairman | — | — |
| 2 | Mr. G. Jagannadha Rao | Member | — | — |
| 3 | Ms. P. Laxmi | Member | — | — |

3. Web-link of the website of the company where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed: <http://www.gayatrihighways.com/corporate-governance.html>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, and (if applicable) the report shall be attached: NA
5. Details of the amount available and required for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014: NA

| S.No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be setoff for the financial year, if any (in Rs) |
|-------|----------------|---|---|
| 1 | — | — | — |
| | TOTAL | | |

6. Average net profit of the company as per section 135(5): NIL
7. a. Two percent of average net profit of the company as per section 135(5): NIL
 b. Surplus arising out of the CSR projects or programme or activities of the previous financial years: NIL
 c. Amount required to be set off for the financial year(if any):NIL
 d. Total CSR obligation for the financial year: NIL
8. a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the fund | Amount | Date of Transfer |
| NIL | — | — | — | — | — |

- b) Details of CSR amount spent against on-going projects for the financial year: NA

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | |
|------|-------------|--|---------------------|-------------------------|----------|------------------|---|---|--|--|-------------------------|
| S.No | Name of the | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the Project | | Project Duration | Amount allocated for the project (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.) | Mode of implement action Direct (Yes/No) | Mode of implementation Through Implementing Agency | |
| | | | | State | District | | | | | Name | CSR registration Number |
| 1. | - | - | - | - | - | - | - | - | - | - | - |
| 2. | - | - | - | - | - | - | - | - | - | - | - |
| | Total | | | | | | | | | | |

- c)Details of CSR amount spent against other than on-going projects for the financial year :

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|------|------------------------|---|---------------------|-------------------------|----------|---------------------------------------|--|--|-------------------------|
| S.No | Name of of the Project | Item from the Duration in Schedule VII to the Act | Local area (Yes/No) | Location of the Project | | Amount spent for the project (in Rs.) | Mode of implementation - Direct (Yes / No) | Mode of implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR registration Number |
| 1. | - | - | - | - | - | - | - | - | - |
| 2. | - | - | - | - | - | - | - | - | - |
| | Total | | | | | | | | |

- d) Amount spent in Administrative Overheads: NA
 e) Amount spent on Impact Assessment, if applicable: NA
 f) Total amount spent for the Financial Year: NIL'
 g) Excess amount for set off, if any: NIL



| Sl.No. | Particular | Amount (in Rs.) |
|--------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | Nil |
| (ii) | Total amount spent for the Financial Year | Nil |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9. a) Details of Unspent CSR amount for the preceding three financial years: Nil

| Sl.No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|--------|--------------------------|--|---|--|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 1. | - | - | - | - | - | - | - |
| | TOTAL | | | | | | |

b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|--|-------------------|--|---|--|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative Amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project – Completed /Ongoing. |
| 1. | | | | | | | | |
| 2. | | | | | | | | |
| 3. | | | | | | | | |
| | Total | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **(asset-wise details)**

- Date of creation or acquisition of the capital asset(s):
- Amount of CSR spent for creation or acquisition of capital asset:
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

For and on behalf of Corporate Social Responsibility Committee

M.V. Narasimha Rao
Chairman
DIN: 06761474

K.G. Naidu
Chief Executive Officer

Place: Hyderabad
Date: 09th August, 2021

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sl. No. | Name of the subsidiary | 1 | 2 | 3 | 4 | 5 |
|---------|--|--------------------------------|---|-------------------------------|---------------------------------|-----------------------------------|
| | | Sai Maatarini Tollways Limited | Balaji Highways Holding Private Limited | Indore Dewas Tollways Limited | Gayatri Jhansi Roadways Limited | Gayatri Lalitpur Roadways Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. | N.A. | N.A. | N.A. |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees |
| 4. | Share capital | 10,00,08,430 | 10,00,000 | 5,00,000 | 42,40,00,000 | 31,79,80,060 |
| 5. | Reserves & surplus | (515,86,27,956) | (19,67,444) | (362,46,83,614) | 27,28,10,875 | 35,94,15,298 |
| 6. | Total assets | 1437,25,61,701 | 60,75,720 | 780,62,75,677 | 282,77,59,528 | 228,76,36,367 |
| 7. | Total Liabilities | 1943,11,81,227 | 70,43,164 | 1143,04,59,291 | 213,09,48,653 | 161,02,41,009 |
| 8. | Investments | - | 1,66,000 | - | - | - |
| 9. | Turnover | - | - | 76,45,48,073 | 45,72,38,564 | 37,69,78,158 |
| 10. | Profit / (Loss) before taxation | (247,61,18,406) | (63,989) | (62,75,16,821) | 14,85,67,093 | 11,57,94,843 |
| 11. | Provision for taxation | - | - | - | - | - |
| 12. | Profit / (Loss) after taxation | (247,61,18,406) | (63,989) | (62,75,16,821) | 14,85,67,093 | 11,57,94,843 |
| 13. | Proposed Dividend | - | - | - | - | - |
| 14. | % of shareholding | 100% | 99.99% | 66.64% | 51% | 51% |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

| Name of Associates/Joint Ventures | Hyderabad Expressways Limited (Jointly Controlled -Entity) | Cyberabad Expressways Limited (Jointly Controlled -Entity) | HKR Roadways Limited (Jointly Controlled -Entity) |
|--|---|---|--|
| 1. Latest audited Balance Sheet Date | 31st March 2021 | 31st March 2021 | 31st March 2021 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | | |
| No. | 9,90,000 | 3,96,000 | 23,20,639 |
| Amount of Investment in Associates/Joint Venture | Rs.99,00,000/- | Rs.39,60,000/- | Rs.2,32,06,390/- |
| Extent of Holding % | 50% | 20% | 49.99% |
| 3. Description of how there is significant influence | Voting Power above 20% | Voting Power above 20% | Voting Power above 20% |
| 4. Reason why the associate /joint venture is not consolidated | N.A | N.A | N.A |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | 36,00,10,085 | (13,33,80,129) | (143,29,76,329) |
| 6. Profit / (Loss) for the year | | | |
| i. Considered in Consolidation | (64,68,996) | (23,13,851) | (74,34,18,502) |
| ii. Not Considered in Consolidation | - | - | - |

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board

For **G.S. Sai Babu & Associates**
Chartered Accountants

M.V. NARASIMHA RAO
Director
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
Director
DIN: 08661228

Satya Sai Babu Gurram
Proprietor
Membership No: 208341
Firm Reg No: 014207S

K.G. NAIDU
Chief Executive Officer

P.K. SAHOO
Chief Financial Officer

P. RAJ KUMAR
Company Secretary

Place : Hyderabad
Date: 09th August, 2021

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)
Report on the performance and financial position of each of the Subsidiaries,
Associates and Joint Ventures Companies of the Company

| Part-A-Subsidiaries | | Name of the Subsidiary | | | | Rs. |
|---------------------|---|----------------------------|-----------------------------------|---------------------------|----------------------------|------------------------------|
| Sl. No. | | Sai Maatarini Tolways Ltd. | Balaji Highways Holding Pvt. Ltd. | Indore Dewas Tollways Ltd | Gayatri Jhansi Roadwas Ltd | Gayatri Lalitpur Roadwas Ltd |
| 1. | The date since when subsidiary was acquired | 01-04-2016 | 01-03-2021 | 31-03-2017 | 31-03-2017 | 31-03-2017 |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A | N.A | N.A | N.A | N.A |
| 3. | Share Capital | 10,00,08,430 | 10,00,000 | 5,00,000 | 42,40,00,000 | 31,79,80,060 |
| 4. | Other Equity | (515,86,27,956) | (19,67,444) | (362,46,83,614) | 27,28,10,875 | 35,94,15,298 |
| 5. | Total Assets | 1437,25,61,701 | 60,75,720 | 780,62,75,677 | 282,77,59,528 | 228,76,36,367 |
| 6. | Total Liabilities | 1943,11,81,227 | 70,43,164 | 1143,04,59,291 | 213,09,48,653 | 161,02,41,009 |
| 7. | Investments (Refer Note 4 below) | - | 1,66,000 | - | - | - |
| 8. | Turnover | - | - | 76,45,48,073 | 45,72,38,564 | 37,69,78,158 |
| 9. | Profit/ (Loss) before Taxation | (247,61,18,406) | (63,989) | (62,75,16,821) | 14,85,67,093 | 11,57,94,843 |
| 10. | Tax Expense/ (Benefit) | - | - | - | - | - |
| 11. | Profit/ (Loss) after Taxation | (247,61,18,406) | (63,989) | (62,75,16,821) | 14,85,67,093 | 11,57,94,843 |
| 12. | Other Comprehensive Income | - | - | 2,758 | 32,477 | (70,532) |
| 13. | Total Comprehensive Income | (247,61,18,406) | (63,989) | (62,75,14,063) | 14,85,99,570 | 11,57,24,311 |
| 14. | Proposed Dividend | - | - | - | - | - |
| 15. | % of shareholding | 100% | 99.99% | 66.64% | 51% | 51% |

Notes:

1. Names of subsidiaries which have been liquidated or sold during the year:

| S. No. | Name of the Company | Address |
|--------|---------------------|---------|
| | | NIL |

| S.No. | Name of Associates/Joint Ventures | Date on which the Associate or Joint Ventures was associated or acquired | Latest audited Balance Sheet Date | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why the associate/ joint venture is not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit/Loss for the year | |
|-------|-----------------------------------|--|-----------------------------------|--|--|---------------------|---|---|---|--------------------------------|-------------------------------------|
| | | | | No. | Amount of Investment in Associate/ Joint Venture | Extend of Holding % | | | | i. Considered in Consolidation | ii. Not Considered in Consolidation |
| 1 | Hyderabad Expressways Ltd. | 31-03-2017 | 31-03-2021 | 9,99,000 | Rs.99,90,000 | 50% | Voting power above 20% | N.A. | 36,00,10,085 | (64,68,996) | - |
| 2 | Cyberabad Expressways Ltd. | 31-03-2017 | 31-03-2021 | 3,96,000 | Rs.39,60,000 | 20% | Voting power above 20% | N.A. | (13,33,80,129) | (23,13,851) | - |
| 3 | HKR Roadways Ltd | 31-03-2017 | 31-03-2021 | 23,20,639 | Rs.2,32,06,390 | 49.99% | Voting power above 20% | N.A. | (143,29,76,329) | (74,34,18,502) | - |

1. Names of associates or joint ventures which are yet to commence operations:

| S. No. | Name of the Company | Address |
|--------|---------------------|---------|
| NIL | | |

2. Names of associates or joint ventures which have been liquidated or sold during the year.

| S. No. | Name of the Company | Address |
|--------|---------------------|---------|
| NIL | | |

For and on behalf of the Board of Directors

For Gayatri Highways Limited

Place: Hyderabad
Date: 09th August, 2021

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S OVERVIEW

Gayatri Highways Limited - GHIL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located at 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana.

Industry Analysis:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.28 billion in the period April 2000 - December 2016. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

The Government of India is taking every possible initiative to boost the infrastructure sector.

The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban missions like the Pradhan Mantri Awas Yojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission (Urban) under the urban habitat model, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing.

Opportunities and Threats

In view of more and more competition in construction industry, the opportunities for securing contracts need continuous innovation in its various core functions. The Company has emerged as a significant Infrastructure Company with diversification in Roads and Expressways. The Company is poised to seize every opportunity to expand the existing line of business. The Company is well equipped to handle threats of competition and challenges or the Company's ongoing execution of Projects.

Road Ahead

India's national highway network is expected to cover 50,000 kilometers, with around 20,000 km of works scheduled for completion in the next couple of years, according to the Ministry of Road Transport and Highways.

The Government of India is devising a plan to provide wifi facility to 550,000 villages for an estimated cost of Rs 3,700 crore (US\$ 577.88 million), as per the Department of Telecommunications, Government of India.

India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

Business outlook:

The Government of India is taking every possible initiative to boost the infrastructure sector. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government. The present Projects and the opportunities in the Indian infrastructure sector provides good visibility towards a sustainable and profitable growth going forward.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

With the country's GDP regaining positive territory thanks to the base effect in the first half, followed by robust growth in the second. While the current resurgence of COVID-19 may dent prospects in the initial part of the year, vigorous vaccination efforts and improved adherence to safety protocols should spark a revival in the latter half. We therefore believe the recovery is 'delayed' and not 'derailed'.

One unintended but welcome consequence of the pandemic has been the rapid adoption of digital technologies. This was a lifeline which ensured that economies do not get paralysed due to lockdowns and other constraints. Another positive fall-out has been an increased awareness of sustainability and a more stringent emphasis on Environment Protection, Social Responsibility and Governance frameworks.

Your company is steadfast in adopting modern technologies for better execution and improving the margins going forward.

RISKS AND CONCERNS

Inadequate risk management is a primary cause of concern indicated by most organizations in India. To be in a position to have fully identified all risks associated with a project and have a response plan for each; that is clearly a benchmark most organizations acknowledge, nevertheless, do little about it. Risk Management by its very nature is flawed because it only identifies the things project managers know; it fails to appreciate the "unknown", "unknowns", the "un-controllable". That said, the more risks identified and planned for, the better position the project team is in to deliver a successful project. Risk Management has been identified as a best practice by most respondents. Moreover, there is a growing concern among Organizations about inaccurate risk identification. The project will yield continuous flow of revenue for the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

The Company designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

A. FINANCIAL CONDITION:

Capital Structure:

The Paid-up Share Capital of the Company as on 31st March, 2021 is Rs. 2,156,306,800 divided into 239,651,900 Equity Shares of Rs.2/- each fully paid up and 167,700,300 9% Non convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each.

Other Equity:

The retained earnings in other equity of the company as on 31st March, 2021 stand at Rs. (93,25,48,771) as compared to Rs. (75,58,24,272) in the previous year. The major share of increase in loss is due to the borrowing cost on 9% Non-convertible cumulative redeemable preference shares amounting to Rs.15,09,30,270/- which is provided for the FY 2020-21 and interest expense of Rs. 15,09,17,172/- on term loan borrowings for the FY 2020-21.

The are no changes in the capital reserve during the FY 2020-21.

**Fixed Assets:**

During the financial year 2020-21, no new assets are acquired or built by the company.

Sundry Debtors:

Sundry debtors increased to Rs.2,56,303/- as on 31st March, 2021 as against Rs.11,625/- debtors in the previous year. These debtors are considered good and realizable.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks stood to Rs.72,01,050/- as against Rs.12,97,250/- in the previous year.

Loans and Advances:

Long Term Loans and Advances is Rs.19,36,00,000/- as against Rs.28,54,31,035/- in the previous year. Short Term Loans and Advances is Rs.28,20,49,007/- as against Rs.31,31,73,310/- in the previous year.

Current Liabilities:

Current Liabilities as on 31st March, 2021 is Rs.409,30,69,099/- as against Rs.401,70,61,219/- in the previous Year.

B. OPERATIONAL RESULTS:**Turnover:**

During the financial year 2020-21 the turnover of the Company was Rs.4,94,10,644/- and income from other sources as on 31st March, 2021 was Rs.9,40,10,391/-, compared to the turnover of the company was Rs.4,63,53,020/- and income from other sources was Rs.8,86,39,931/-, in the previous financial year.

Depreciation:

The Company has provided for depreciation of Rs.3,68,252/- during the financial year 2020-21 whereas depreciation of Rs.3,21,306/- provided in the previous financial year as all the assets of the company were fully depreciated in the previous years.

Provision for Tax:

The Company has not provided for tax in the financial year 2020-21 and in the previous financial year since there were no profits.

Net Profit:

The Net loss of the Company after tax is Rs.(17,67,24,499/-) as against Rs. (20,11,53,073/-) in the previous year.

Earnings per Share:

The Earnings(Losses) per Share of the Company as on 31st March, 2021 is Rs. (0.74) per share for Face Value of Rs. 2/- as against Rs. (0.84) per share for Face Value of Rs. 2/- in the previous year.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIALRELATIONS:

The Company believes that the Company's growth and future success depend largely on the skills of the Company's work force, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges. Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in the Company's employees' outlook as it continues to develop as a global competitor.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS

Key financial ratios on standalone basis including significant changes (more than 25%) are shown in the table below:

| Ratio | FY 2020-21 | FY 2019-20 | Change | Note |
|---------------------------|------------|------------|---------|------|
| Debtor Turnover (days) | 0.34 | 80.70 | 99.58% | A |
| Interest Coverage Ratio | 0.41 | 0.36 | -13.69% | B |
| Current Ratio | 0.18 | 0.18 | 2.96% | C |
| Debit Equity Ratio | 2.25 | 2.00 | -12.40% | D |
| Operating Profit margin % | 0.87 | 0.86 | -2.03% | E |
| Net profit margin % | (1.23) | (1.49) | 17.31% | F |
| Return on Net Worth | (0.37) | (0.42) | 12.14% | G |

- A. Debtor collection is improved when compared to the previous year.
- B. The interest coverage ratio is improved as the revenue is increased compared to previous financial year.
- C. There is no significant variation in the current ratio when compared to previous financial year.
- D. Due to the loss incurred during the year, the total equity been reduced. Hence debt equity ratio is increased.
- E. There is no significant variation in the operating profit margin when compared to previous financial year.
- F. The net profit margin is improved when compared to the previous financial year.
- G. Return on net worth is improved due to increase in revenue and decrease in operating costs when compared to previous financial year.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes and incidental factors.

Place: Hyderabad
Date: 09th August, 2021

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

FORM NO MR 3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s. Gayatri Highways Limited
1st Floor, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda, Hyderabad- 500082
CIN-L45100TG2006PLC052146

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s Gayatri Highways Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Gayatri Highways Limited** ("Company") for the financial year ended on March 31, 2021 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- III. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
- IV. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
- VI. The Company is presently carrying only O & M activities with the group Companies. As per management view, there are no Industry Specific Acts applicable to the Company, However, Company has investments in Companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that:

The Board of Directors of the Company is constituted with all Independent Directors including Women Directors. With regard to the optimum combination of Executive and non-executive Director as specified in Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 company has received letter from NSE and made reply accordingly. With regard to minimum six directors in compliance with Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , upon receipt of letters from NSE seeking fine, the Company has made payments towards Fine with respect to non-Compliance / delay in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30th June, 2020 and 30th September 2020.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place:Hyderabad

Date: 09th August, 2021

UDIN : F007638C000759171

For V.Shankar & Co.,
Company Secretaries

V.Shankar
CP No. 8446, FCS. 7638

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
M/s. Gayatri Highways Limited,
1st Floor, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda, Hyderabad- 500082
CIN-L45100TG2006PLC052146

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:Hyderabad
Date: 09th August, 2021
UDIN : F007638C000759171

For V.Shankar & Co.,
Company Secretaries

V.Shankar
CP No. 8446, FCS. 7638

Form No. MR - 3
SECRETARIAL AUDIT REPORT
 For the financial year ended March 31, 2021

To
 The Members,
Gayatri Jhansi Roadways Limited,
 6-3-1090, TSR Towers, Raj Bhavan Road,
 Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Gayatri Jhansi Roadways Limited, CIN:U50403TG2006PLC050569 (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gayatri Jhansi Roadways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company [as provided to me] and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gayatri Jhansi Roadways Limited (the "Company") for the financial year ended on 31-03-2021, according to the provisions of:

- I. The Companies Act, 2013 (the 'Act') and the rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; and
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')[to the extent applicable] to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Other laws specifically applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company:

- a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company was not required to appoint Executive Directors on its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has the following specific event / action having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above:

- ◆ The Company has infringed the erstwhile section 187C of the Companies Act, 1956 by not filing the declarations (dated 17-11-2008 and 18-02-2009) submitted by the registered owner (Infrastructure Development Finance Company Limited) and the beneficial owner (India Infrastructure Fund) in the prescribed Form 22-B within 30 days from the date of receipt of declaration with the Registrar of Companies.
- ◆ The corresponding new section 89(7) of the Companies Act, 2013 was invoked but the Company has filed Form MGT-6 with the Registrar of Companies on 25-09-2020, and the Company "suo-moto" has filed compounding application before the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad, Telanganain Form GNL-1 on 11-03-2020, so as to make good the default.
- ◆ The Company and every officer-in-default have paid the total compounding fees for the application, amounting to Rs.3,50,000/- on 12-01-2021.
- ◆ The Regional Director has passed the Order on 21-01-2021 under section 441 of the Companies Act, 2013 in violation of section 187C of the Companies Act, 1956 and section 89 of the Companies Act, 2013.
- ◆ The Company has filed Form INC-28 within 30 days from the date of passing of the order with the Registrar of Companies on 02-02-2021.

I further report that the Company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note:

- a) This report is to be read with my letter of even date which is annexed as Annexure –‘A’ and Notes forming an integral part of this report.
- b) Due to the disruptions & situations caused by the global pandemic of COVID-19, the compliance matters stated in this report are to read and construed based on various special measures, relaxations, clarifications, extensions, schemes, limits, waivers and fee payments given by the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and other statutory authorities for complying various provisions of the statutes applicable to the Company.

UDIN : F009255C000409050

Date: 01-06-2021

Place: Hyderabad

C.N. Kranthi Kumar

Company Secretary in Practice

FCS No. 9255 CP. No. 13889

Unique Code No : I2014TL1227000

Peer Reviewed Unit

Certificate No. 612/2019

Annexure A

To
The Members,
Gayatri Jhansi Roadways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Gayatri Jhansi Roadways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.
3. The verification was done on sample / test / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles]has provided a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NOTES

To
The Members
Gayatri Jhansi Roadways Limited

My report of even date is to be read along with the following notes:

1) Format:

The report is presented and submitted pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Form No. MR-3, the format prescribed under Section 204 of the Companies Act, 2013 and the rules made thereunder.

2) Requirement:

The Company being a material unlisted subsidiary [incorporated in India] of the listed entity- Gayatri Highways Limited, CIN:L45100TG2006PLC052146, the requirement to undertake secretarial audit and annex to its annual report a secretarial audit report is mandated as a matter of compliance.

3) Management responsibility:

The management of the Company is responsible for compliances laws, bye-laws, rules, regulations, circulars, guidelines, notifications, orders and standards as applicable to the Company, and the provisions of the Memorandum and Articles of Association of the Company, and the Board operations, adequate systems, processes, structures and maintaining it.

4) Reporting responsibility:

The responsibility of the Company Secretary in Practice is restricted only for verification of procedures of the Company on sample / test / random basis to ensure that correct facts are reflected in records.

5) Interpretation:

The words or expressions stated in bold, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.

Form No. MR - 3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2021

To
The Members,
Gayatri Lalitpur Roadways Limited,
6-3-1090, TSR Towers, Raj Bhavan Road,
Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Gayatri Lalitpur Roadways Limited, CIN:U45203TG2006PLC050554 (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gayatri Lalitpur Roadways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company [as provided to me] and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gayatri Lalitpur Roadways Limited (the "Company") for the financial year ended on 31-03-2021, according to the provisions of:

- I. The Companies Act, 2013 (the 'Act') and the rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; and
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')[to the extent applicable] to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Other laws specifically applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company:

- a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company was not required to appoint Executive Directors on its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has the following specific event / action having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above:

- a) The Company has infringed the erstwhile section 187C of the Companies Act, 1956 by not filing the declarations (dated 17-11-2008 and 18-02-2009) submitted by the registered owner (Infrastructure Development Finance Company Limited) and the beneficial owner (India Infrastructure Fund) in the prescribed Form 22-B within 30 days from the date of receipt of declaration with the Registrar of Companies.
- b) The corresponding new section 89(7) of the Companies Act, 2013 was invoked but the Company has filed Form MGT-6 with the Registrar of Companies on 25-09-2020, and the Company "suo-moto" has filed compounding application before the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad, Telangana in Form GNL-1 on 11-03-2020, so as to make good the default.
- c) The Company and every officer-in-default have paid the total compounding fees for the applications amounting to Rs.3,00,000/- on 09-01-2021.
- d) The Regional Director has passed the Order on 21-01-2021 under section 441 of the Companies Act, 2013 in violation of section 187C of the Companies Act, 1956 and section 89 of the Companies Act, 2013.
- e) The Company has filed Form INC-28 within 30 days from the date of passing of the order with the Registrar of Companies on 02-02-2021.



I further report that the Company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note:

- a) This report is to be read with my letter of even date which is annexed as Annexure –‘A’ and Notes forming an integral part of this report.
- b) Due to the disruptions & situations caused by the global pandemic of COVID-19, the compliance matters stated in this report are to read and construed based on various special measures, relaxations, clarifications, extensions, schemes, limits, waivers and fee payments given by the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and other statutory authorities for complying various provisions of the statutes applicable to the Company.

UDIN : F009255C000409006

Date: 01-06-2021

Place: Hyderabad

C.N. Kranthi Kumar

Company Secretary in Practice

FCS No. 9255 CP. No. 13889

Unique Code No : I2014TL1227000

Peer Reviewed Unit

Certificate No. 612/2019

Annexure A

To
The Members,
Gayatri Lalitpur Roadways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Gayatri Lalitpur Roadways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.
3. The verification was done on sample / test / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles]has provided a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NOTES

To
The Members
Gayatri Lalitpur Roadways Limited

My report of even date is to be read along with the following notes:

1) Format:

The report is presented and submitted pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Form No. MR-3, the format prescribed under Section 204 of the Companies Act, 2013 and the rules made thereunder.

2) Requirement:

The Company being a material unlisted subsidiary [incorporated in India] of the listed entity- Gayatri Highways Limited, CIN:L45100TG2006PLC052146, the requirement to undertake secretarial audit and annex to its annual report a secretarial audit report is mandated as a matter of compliance.

3) Management responsibility:

The management of the Company is responsible for compliances laws, bye-laws, rules, regulations, circulars, guidelines, notifications, orders and standards as applicable to the Company, and the provisions of the Memorandum and Articles of Association of the Company, and the Board operations, adequate systems, processes, structures and maintaining it.

4) Reporting responsibility:

The responsibility of the Company Secretary in Practice is restricted only for verification of procedures of the Company on sample / test / random basis to ensure that correct facts are reflected in records.

5) Interpretation:

The words or expressions stated in bold, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.

Form No. MR - 3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

To
 The Members,
Indore Dewas Tollways Limited,
 6-3-1090, TSR Towers, Raj Bhavan Road,
 Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Indore Dewas Tollways Limited, CIN:U45200TG2010PLC068238 (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Indore Dewas Tollways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company [as provided to me] and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Indore Dewas Tollways Limited (the "Company") for the financial year ended on 31-03-2021, according to the provisions of:

- I. The Companies Act, 2013 (the 'Act') and the rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; and
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')[to the extent applicable] to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Other laws specifically applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company:

- a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company was not required to appoint Executive Directors on its Board. There were no changes in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has:

- a) No specific events / actions having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above.
- b) No cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note:

- a) This report is to be read with my letter of even date which is annexed as Annexure –'A' and Notes forming an integral part of this report.
- b) Due to the disruptions & situations caused by the global pandemic of COVID-19, the compliance matters stated in this report are to read and construed based on various special measures, relaxations, clarifications, extensions, schemes, limits, waivers and fee payments given by the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and other statutory authorities for complying various provisions of the statutes applicable to the Company.

UDIN : F009255C000409072
Date: 01-06-2021
Place: Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No : I2014TL1227000
Peer Reviewed Unit
Certificate No. 612/2019

Annexure A

To
The Members,
Indore Dewas Tollways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Indore Dewas Tollways Limited (the “Company”). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.
3. The verification was done on sample / test / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles]has provided a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NOTES

To
The Members
Indore Dewas Tollways Limited

My report of even date is to be read along with the following notes:

1) Format:

The report is presented and submitted pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Form No. MR-3, the format prescribed under Section 204 of the Companies Act, 2013 and the rules made thereunder.

2) Requirement:

The Company being a material unlisted subsidiary [incorporated in India] of the listed entity- Gayatri Highways Limited, CIN:L45100TG2006PLC052146, the requirement to undertake secretarial audit and annex to its annual report a secretarial audit report is mandated as a matter of compliance.

3) Management responsibility:

The management of the Company is responsible for compliances laws, bye-laws, rules, regulations, circulars, guidelines, notifications, orders and standards as applicable to the Company, and the provisions of the Memorandum and Articles of Association of the Company, and the Board operations, adequate systems, processes, structures and maintaining it.

4) Reporting responsibility:

The responsibility of the Company Secretary in Practice is restricted only for verification of procedures of the Company on sample / test / random basis to ensure that correct facts are reflected in records.

5) Interpretation:

The words or expressions stated in bold, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.

Form No. MR - 3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

To
 The Members,
Sai Maatarini Tollways Limited,
 6-3-1090, TSR Towers, Raj Bhavan Road,
 Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Sai Maatarini Tollways Limited, CIN:U45203TG2006PLC050554 (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sai Maatarini Tollways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company [as provided to me] and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sai Maatarini Tollways Limited (the "Company") for the financial year ended on 31-03-2021, according to the provisions of:

- I. The Companies Act, 2013 (the 'Act') and the rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; and
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') [to the extent applicable] to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Other laws specifically applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company:

- a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company was not required to appoint Executive Directors on its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has specific events / actions having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above.

- ◆ The Company has issued a notice of "Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)" to the National Highways Authority of India ("NHAI") on 09-03-2019, and the NHAI terminated the Concession Agreement vide letter dated 28-01-2020, and the Company has handed over the entire project on 30-01-2020, and the Company wrote letter to NHAI GM(T) requesting for termination payment of Rs.2,834.47 Corers vide letter no.1093 dated 08-05-2020.
- ◆ The Company has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the Hon'ble High Court of Delhi, New Delhi ("Court") against NHAI on 21-12-2019 requesting NHAI to deposit the Debt Due as per the provisions of the Concession Agreement to protect the interest of the lenders and to remit the amount to the Consortium of Lenders. The Company and NHAI jointly filed an application on 27-05-2020 before the Court to keep the proceeding on hold for a minimum period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI and the next hearing was expected on 02-12-2020, and as the Termination Payment was still pending at the Conciliation Committee, SMTL and NHAI have jointly submitted an application to the Court for extension of adjournment for another 4 months period, and the proceedings were adjourned till 05-04-2021.
- ◆ The matter of Contract Agreement which was terminated on account of Force Majeure event is currently under the Arbitration between NHAI and the Company. The Company has opted for resolving the dispute with the NHAI through the Conciliation Mechanism instituted by NHAI. The Company vide their letters dated 30-11-2019 and 31-12-2019 reminded NHAI to refer the Disputes to the Conciliation Committee of Independent Experts (CCIE). The first conciliation meeting comprising of independent experts was placed before the CCIE-2 on 01-07-2020 and CCIE viewed that there is a good possibility of settlement as a

similar case has been settled earlier and it was expected that the conciliation-cum-settlement proceedings shall be completed within 5 sittings in a period of not more than 6 months from the day the reference is made to the CCIE. The Company has engaged Deloitte as Financial Advisor in this matter and based on their report, and the Company wrote a letter to NHAI GM(T) on 17-11-2020 requesting to release the Termination payment.

- ◆ IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against the Company, its Directors, Gayatri Projects Limited and IDBI Trusteeship Services Limited under sub-section (4) of section 19 of the Debt Recovery Tribunal Act, read with sub rule (2A) of rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, and the case was listed before Hon'ble Debts Recovery Tribunal-1 on 23-09-2020, and the Tribunal issued summons for recovery of debts on 15-10-2020, and the Company requested the Tribunal to furnish copy with complete set of O.A along with documents on 22-10-2020. However due to present situations and restrictions caused by the global pandemic of COVID-19, the Company was unable to receive the documents, and the next listing date of summons was 15-02-2021.

I further report that No cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note:

- a) This report is to be read with my letter of even date which is annexed as Annexure –'A' and Notes forming an integral part of this report.
- b) Due to the disruptions & situations caused by the global pandemic of COVID-19, the compliance matters stated in this report are to read and construed based on various special measures, relaxations, clarifications, extensions, schemes, limits, waivers and fee payments given by the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and other statutory authorities for complying various provisions of the statutes applicable to the Company.

UDIN : F009255C000409061
 Date: 01-06-2021
 Place: Hyderabad

C.N. Kranthi Kumar
 Company Secretary in Practice
 FCS No. 9255 CP. No. 13889
 Unique Code No : I2014TL1227000
 Peer Reviewed Unit
 Certificate No. 612/2019

Annexure A

To
The Members,
Sai Maatarini Tollways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Sai Maatarini Tollways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.
3. The verification was done on sample / test / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles]has provided a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

NOTES

To
The Members
Sai Maatarini Tollways Limited

My report of even date is to be read along with the following notes:

1) Format:

The report is presented and submitted pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Form No. MR-3, the format prescribed under Section 204 of the Companies Act, 2013 and the rules made there under.

2) Requirement:

The Company being a material unlisted subsidiary [incorporated in India] of the listed entity- Gayatri Highways Limited, CIN:L45100TG2006PLC052146, the requirement to undertake secretarial audit and annex to its annual report a secretarial audit report is mandated as a matter of compliance.

3) Management responsibility:

The management of the Company is responsible for compliances laws, bye-laws, rules, regulations, circulars, guidelines, notifications, orders and standards as applicable to the Company, and the provisions of the Memorandum and Articles of Association of the Company, and the Board operations, adequate systems, processes, structures and maintaining it.

4) Reporting responsibility:

The responsibility of the Company Secretary in Practice is restricted only for verification of procedures of the Company on sample / test / random basis to ensure that correct facts are reflected in records.

5) Interpretation:

The words or expressions stated in bold, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.

SECRETARIAL COMPLIANCE REPORT

of
Gayatri Highways Limited
for the year ended 31/03/2021

I, C.N.Kranthi Kumar, Company Secretary in Practice, having office at Hyderabad, Telangana, have examined:

- (a) all the documents and records made available to me and explanation provided by Gayatri Highways Limited (“the listed entity”),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31/03/2021 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- (f) Others Act(s) - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

The following Regulations, whose provisions and the circulars / guidelines issued thereunder, which are not applicable to the listed entity under review period:-

- (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and

- (f) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.

and based on the above examination, I hereby report that, during the Review Period :-

- (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder except in respect of matters specified below:

| Sr. No. | Compliance Requirement (Regulations / Circulars / Guidelines including specific clause) | Deviations | Observations / Remarks of the Practicing Company Secretary |
|---------|---|---|---|
| 1 | Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Composition of Board of Directors (Board) | The Company was not having 6 (Six) directors on its Board: (a) for quarter ended June 30, 2020 for a period of 91 days (b) for quarter ended September 30, 2020 for a period of 58 days | Non-compliance or delay in compliance as per SEBI SOP Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/12, dt:January 22, 2020. National Stock Exchange of India Limited (NSE) letters vide reference no's. NSE/LIST-SOP/CG/FINES/101661, Dated: 20-08-2020; NSE/LIST-SOP/COMB/FINES/0810, Dated: 17-11-2020; and NSE/LIST/SOP/0804, Dated: 17-11-2020.] |

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from my examination of those records.

- (c) The following are the actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. |
|---------|--|---|---|
| 1 | National Stock Exchange of India Limited (NSE) | Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Composition of Board of Directors (Board) of having minimum 6 (Six) directors on its Board:- for quarter ended June 30, 2020, for a period of 91 days; and for quarter ended September 30, 2020, for a period of 58 days. | NSE levied a FINE of Rs.4,55,000/- for quarter ended June 30, 2020 and Rs.3,42,200/- for quarter ended September 30, 2020. NSE further directed to the Company to inform about the identified non-compliance / delayed compliance identified by the NSE and the subsequent action taken by the NSE before the Board in their next meeting, and the comments made by the Board shall be duly informed to the NSE for dissemination. |

**Point (c) - Observations / Remarks of the Practicing Company Secretary, if any:-**

- i. The Company has placed the matter of identified non-compliance / delayed compliance identified by the NSE before the Board in their next meeting.
- ii. The Company has paid the FINE amount of Rs.4,55,000/- and Rs.3,42,200/-.
- iii. The Company has placed the matter of payment of FINE before the Board in their next meeting.
- iv. The comments made by the Board were duly informed to the NSE for dissemination.
- v. The Company has also emailed the same information to listingsop@nse.co.in and also submitted the same on NEAPS.
- vi. (a) The Company has fully complied with all its compliances under the Listing Regulations, all applicable regulations and circulars issued thereunder except for the appointment of 2 [Two] Directors on the Board from 01-04-2020 till 27-08-2020.
- (b) The compliance efforts of the Company for such appointment of directors was falling during such "LOCKDOWN" event which started from "22-03-2020 to 30-06-2020" as:-
 - The World Health Organisation has declared Coronavirus or COVID-19 [a disease caused by a novel corona virus SARS CoV-2] as a Public Health Emergency of International Concern on 30-01-2020 and a Global Pandemic on 11-03-2020.
 - The Company's registered office is situated in the Telangana State which invoked the Epidemic Diseases Act, 1897 and enforced the lockdown across the State on 22-03-2020 and the same continued till 30-06-2020 with restrictive relaxations only.
- (c) So, the Company has appointed 2 [Two] Directors in Independent Category on its Board with effect from "28-08-2020" and the total number of Directors on its Board on 28-08-2020 were 6 [Six] Directors.
- (d) The material event which occurred was beyond the control of the Company making it an impossible, unpreventable and situation which will impact the initiation, filing, reporting and compliance matter of Stock Exchanges, and any action during this event by the Company including its assessment and impact was unimaginable.
- (e) However, the Management Representations made by the Company including waiver or reduction of fine in this matter were not well-thought-out.

- (d) The listed entity was not required to take any action(s) on compliance matter(s) as there were no observation(s) in the previous report issued for the financial year 2019-20 on 28/05/2020.

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31/03/20 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|--|--|--|
| — | — | — | — | — |

Notes forming part of this report -**1) Format:**

The report is presented and submitted in format prescribed under Securities and Exchange Board of India [SEBI] Circular No. CIR/CFD/CMD1/27/2019 dated 08-02-2019 read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) Management responsibility:

The management of the Company is responsible for compliance of all applicable the SEBI laws, regulations and circulars / guidelines issued thereunder.

3) Reporting responsibility:

The Company Secretary in Practice is responsible only for checking and submitting a report about the compliance of all applicable SEBI regulations and circulars / guidelines issued thereunder made by the Company.

4) Interpretation:

The words or expressions stated in bold, italic, underlined, highlighted, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.

UDIN : F009255C000389624
Date: 29-05-2021
Place: Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No : I2014TL1227000
Peer Reviewed Unit
Certificate No. 612/2019

REPORT ON CORPORATE GOVERNANCE

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company's annual report, results, presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

The Company endeavours to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at 31st March, 2021, the Board of Directors ("Board") comprises of six Directors and all are Non-Executive Directors. The Company has six Independent Directors. The composition and category of the Board of Directors is as follows:

| Sl. No | Name of Director | Designation | Category |
|--------|-------------------------------|-------------|----------------------|
| 1. | Mr. M.V. Narasimha Rao | Director | Independent Director |
| 2. | Mr. G. Jagannadha Rao | Director | Independent Director |
| 3. | Ms. P. Laxmi | Director | Independent Director |
| 4. | *Mr. Krishnamurthy Chaturvedi | Director | Independent Director |
| 5. | *Mr. Desina Balarama Krishna | Director | Independent Director |
| 6. | *Ms. V. Sindhuja Pothapragada | Director | Independent Director |

*Mr. Krishnamurthy Chaturvedi was appointed as an Additional Director (Independent Category) with effect from 14th February, 2020 and was appointed by the members as a Director in the category of Independent Director of the Company in the 14th AGM held on 29th September, 2020.

Mr. Desina Balarama Krishna and Ms. V. Sindhuja Pothapragada were appointed as an Additional Director (Independent Category) with effect from 28th August, 2020 and were appointed by the members as a Director in the category of Independent Director of the Company in the 14th AGM held on 29th September, 2020.

b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31st March, 2021 has been set out here below:

| Sl. No | Name of Director | No. of Board Meetings | | Attendance at last AGM on 27.09.2020 |
|--------|-------------------------------|-----------------------|----------|--------------------------------------|
| | | Held | Attended | |
| 1. | Mr. M.V. Narasimha Rao | 5 | 5 | Present |
| 2. | Mr. G. Jagannadha Rao | 5 | 5 | Present |
| 3. | Ms. P. Laxmi | 5 | 5 | Present |
| 4. | Mr. Krishnamurthy Chaturvedi | 5 | 5 | Present |
| 5. | *Mr. DesinaBalarama Krishna | 5 | 3 | Present |
| 6. | *Ms. V. Sindhuja Pothapragada | 5 | 3 | Present |

*Mr. Krishnamurthy Chaturvedi was appointed as an Additional Director (Independent Category) with effect from 14th February, 2020 and was appointed by the members as a Director in the category of Independent Director of the Company in the 14th AGM held on 29th September, 2020.

Mr. Desina Balarama Krishna and Ms. V. Sindhuja Pothapragada were appointed as an Additional Director (Independent Category) with effect from 28th August, 2020 and were appointed by the members as a Director in the category of Independent Director of the Company in the 14th AGM held on 29th September, 2020.

c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

| Sl. No. | Name of the Director | Other Directorships | Committee Membership | Committee Chairmanship |
|---------|------------------------------|---------------------|----------------------|------------------------|
| 1. | Mr. M.V. Narasimha Rao | 2 | 3 | 2 |
| 2. | Mr. G. Jagannadha Rao | 2 | 3 | 0 |
| 3. | Ms. P. Laxmi | 0 | 2 | 1 |
| 4. | Mr. Krishnamurthy Chaturvedi | 6 | 6 | 4 |
| 5. | Mr. DesinaBalarama Krishna | 2 | 2 | 0 |
| 6. | Ms. V. Sindhuja Pothapragada | 1 | 0 | 0 |

The Directors of Gayatri Highways Limited do not hold Directorships in any other listed entities.

- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015
- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended 31st March, 2021, as against the minimum requirement of five meetings.

The dates on which the Board meetings were held are 23rd June, 2020, 24th July, 2020, 28th August, 2020, 04th November, 2020 and 02nd February, 2021.

The Company has availed the one-time relaxation of the gap between 2 consecutive board meetings provided by the Ministry of Corporate Affairs vide General Circular No. 11/2020 dated 24th March, 2020 as a special measure to reduce the compliance burden and other risks in view of COVID-19. So, the interval of Board Meetings held between First Quarter (January to March, 2020) and Second Quarter (April to June, 2020) can be 180 days instead of 120 days for the purposes of section 173 of the Companies Act, 2013.



The Company also availed the relaxation provided by Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 and SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 19th March, 2020 and 26th June, 2020 respectively for relaxation of time gap between two board/ Audit Committee meetings of listed entities owing to the COVID-19 pandemic.

e) Disclosure of relationship between directors inter-se

None of the Directors are related to any other Director.

f) Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on 31st March, 2021 are as follows:

| Sl. No | Name of the Director | No of Equity Shares |
|--------|------------------------------|---------------------|
| 1 | Mr. M.V. Narasimha Rao | Nil |
| 2. | Mr. G. Jagannadha Rao | Nil |
| 3. | Ms. P. Laxmi | Nil |
| 4. | Mr. Krishnamurthy Chaturvedi | Nil |
| 5. | Mr. DesinaBalarama Krishna | Nil |
| 6. | Ms. V. Sindhuja Pothapragada | Nil |

g) The details of familiarization programs imparted to independent directors:

Your Company follows a structured orientation and familiarisation programme through various reports/ codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization programme is available on the website: <http://www.gayatrihighways.com>.

h) The Board currently has sufficient range of expertise and possesses all the competencies required for effective functioning. Below is the chart/ matrix of such competencies, identified by the Board:

| Sl. No. | Core Competencies |
|---------|--|
| 1. | Project Management |
| 2. | Domain / Industry Specialist |
| 3. | Business Development & Business Strategist |
| 4. | Asset Management / Operational Excellence |
| 5. | Networking / Connecting / Spanning |
| 6. | Organizational Learning and Institutional memory |
| 7. | Governance Consciousness |

i) The Board of Directors be and hereby confirm that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31st March, 2021.

COMMITTEES OF THE BOARD

The Committee of Directors has been constituted by the Board of Directors of the Company in their meeting held on 7th February, 2018. The composition and terms of reference of these committees are approved by the Board and are in line with the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The following statutory Committees were established by the Board:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

1. AUDIT COMMITTEE:

(a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing with the management, annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; iv) Compliance with listing requirements (v) modified opinion(s) in the draft audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Scrutiny of inter-corporate loans and investments;
9. To review the functioning of the whistle blower mechanism;
10. Recommendation for appointment and remuneration of auditors;
11. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
12. Reviewing and monitoring the auditor's independence and performance
13. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments. etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:



- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

(b) Composition, Name of members and Chairman:

As on 31st March, 2021, the Audit Committee of the Board comprises of Non Executive Directors being Independent Directors. The Chairperson of the Audit Committee is an Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

| Sl. No | Name of Director | Designation |
|--------|------------------------|-------------|
| 1 | Mr. M.V. Narasimha Rao | Chairman |
| 2 | Mr. G. Jagannadha Rao | Member |
| 3 | Ms.P. Laxmi | Member |

(c) Meetings and attendance during the year:

During the Financial year 4 Audit committee meetings were conducted on 23rd June, 2020, 24th July, 2020, 04th November, 2020 and 02nd February, 2021.

Attendance at the Audit Committee Meetings:

| Sl. No | Name of Director | Designation | Number of Meetings | |
|--------|------------------------|-------------|--------------------|----------|
| | | | Held | Attended |
| 1. | Mr. M.V. Narasimha Rao | Chairman | 4 | 4 |
| 2. | Mr. G. Jagannadha Rao | Member | 4 | 4 |
| 3. | Ms. P. Laxmi | Member | 4 | 4 |

2. NOMINATION & REMUNERATION COMMITTEE:

a. Brief description of terms of reference

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

b. Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with three (3) Non Executive Directors being Independent Directors.

The following is the composition of the Board

| Sl. No | Name of Director | Designation |
|--------|------------------------|-------------|
| 1. | Mr. G. Jagannadha Rao | Chairman |
| 2. | Mr. M.V. Narasimha Rao | Member |
| 3. | Ms.P. Laxmi | Member |

c. Nomination and Remuneration Committee meetings & Attendance

During the Financial year 1 Nomination and Remuneration Committee meeting was held on 28th August, 2020.

Attendance at the Nomination and Remuneration Committee Meetings:

| Sl. No | Name of Director | Designation | Number of Meetings | |
|--------|------------------------|-------------|--------------------|----------|
| | | | Held | Attended |
| 1. | Mr. G. Jagannadha Rao | Chairman | 1 | 1 |
| 2. | Mr. M.V. Narasimha Rao | Member | 1 | 1 |
| 3. | Ms. P. Laxmi | Member | 1 | 1 |

d. Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry.
- The Non-executive directors are paid sitting fees for attending meetings of Board/ Committee.

e. Performance evaluation of Directors.

The performance evaluation of independent director is done by the Board annually based on criteria of attendance and contributions at Board/ Committee meetings and also the role played by them other than at meetings.

The Nomination and Remuneration Committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommend the same to the Board for evaluation

In line with Corporate governance guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, committees of the Board and individual directors and reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of directors (excluding the director being evaluated) held the performance evaluation of Independent directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent directors.

Performance evaluation was done by the respective bodies on 28th August, 2020.

**INDEPENDENT DIRECTORS' MEETING:**

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, 2015, one meeting of the Independent Directors of the Company was held in the financial year on 02nd February, 2021, without the attendance of Non-Independent Directors and members of the management.

5. Remuneration of Directors**(a) Details of Remuneration of Non – Executive Directors:**

- There were no pecuniary transactions with any non-executive director of the Company.
- Non-Executive Directors are paid Sitting Fee for attending the Board and Committee Meetings.

During the financial year under review the company has paid sitting fees to the Non-Executive Directors/Independent Directors.

| S. No. | Name of Director | Sitting Fees paid (Rs.) |
|--------|------------------------------|-------------------------|
| 1. | Mr. M.V. Narasimha Rao | 2,40,000 |
| 2. | Mr. G. Jagannadha Rao | 2,40,000 |
| 3. | Ms. P. Laxmi | 2,40,000 |
| 4 | Mr. Krishnamurthy Chaturvedi | 1,20,000 |
| 5 | Mr. Desina Balarama Krishna | 80,000 |
| 6 | Ms. V. Sindhuja Pothapragada | 80,000 |

(b) Details of Remuneration of Executive Directors: Not Applicable**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:****(a) Brief description of terms of reference:**

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividend etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-id for Investor Grievances: cs@gayatrihighways.com

(b) Composition:

| Sl. No | Name of Director | Designation |
|--------|------------------------|-------------|
| 1 | Ms. P. Laxmi | Chairman |
| 2 | Mr. G. Jagannadha Rao | Member |
| 3 | Mr. M.V. Narasimha Rao | Member |

(c) Name and Designation of Compliance Officer:

Mr. P. Raj Kumar, Company Secretary is acting as Compliance Officer of the Company.

(d) Number of Shareholders complaints received so far.

During the financial year ended 31st March, 2021, the Company did not receive any complaints from the shareholders.

(e) Number of complaints not resolved to the satisfaction of shareholders : Not Applicable.**(f) There were no pending complaints as at the year end.**

7. GENERAL BODY MEETINGS:

i) Location and Time, where last three Annual General Meetings held:

| Year | Locations | Date | Time |
|-----------------------------------|---|----------------------------------|----------|
| 14 th AGM (2019-20) | Annual General Meeting through Video Conferencing / Other Audio Visual Means facility Deemed Venue of Meeting : Registered Office : 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana | 29 th September, 2020 | 3.30 P.M |
| 13 th AGM (2018-19) | KLN Prasad Auditorum, The Federation of Telangana Chambers of Commerce & Industry (FTCCI), Red Hills, Hyderabad-500004, Telangana | 27 th September, 2019 | 3.30 P.M |
| 12 th AGM (2017-18) | KLN Prasad Auditorum, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500004, Telangana | 28 th September, 2018 | 2.30 P.M |

ii. Whether any Special Resolutions passed in the previous 3 Annual General Meetings:

2019-20: The Company did not pass any special resolutions in the 14th AGM held on 29th September, 2020.

2018-19: The Company did not pass any special resolutions in the 13th AGM held on 27th September, 2019.

2017-18: The Company did not pass any special resolutions in the 12th AGM held on 28th September, 2018.

8. MEANS OF COMMUNICATION:

(a) Quarterly Results: The quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

(b) Newspapers wherein results were normally published: The financial results were published in an English language daily newspaper having India wide circulation viz. Business Standard and a daily newspaper in Telugu language viz. Andhra Prabha.

(c) Any website, where displayed

The yearly Audited Financial results and the un-audited financial results of the Company are published on the Company's website: www.gayatrihighways.com

(d) Displays official news releases : NA

(e) Presentation made to institutional investors or to the analysts : NA

(f) Website:

The website www.gayatrihighways.com contains a separate dedicated section "Investor" for the Company's investors where shareholders' information is available. The full Annual Report, shareholding pattern etc.

**9. GENERAL SHAREHOLDER INFORMATION:**

| | |
|---|--|
| Annual General Meeting | Date : 28th September, 2021 Time : 3.30 P.M. Venue : Annual General Meeting through Video Conferencing / Other Audio Visual Means facility. Deemed Venue for Meeting : Registered Office, 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082. Telangana. |
| Financial Year | 1st April, 2020 to 31st March, 2021 |
| Date of Book Closure | 22nd September, 2021 to 28th September, 2021 (both days inclusive) |
| Dividend Payment Date | Not Applicable |
| Name and address of the Stock Exchange where the Company is listed | BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 |
| | National Stock Exchange of India Limited: 5th Floor, Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051 |
| Listing on Stock Exchanges BSE Ltd & NSE Ltd | 28th June, 2018 |
| Scrip/Stock Code | BSE Scrip Code: 541546 NSE Scrip Id: GAYAHWS |
| ISIN Number for NSDL & CDSL | INE287Z01012 |

The listing fees has been paid to the above stock exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

(a) Market Price Data: (BSE Limited (BSE))

| Sl.No. | Month | High during the month | Low during the month |
|--------|----------------|-----------------------|----------------------|
| 1. | April 2020 | 0.28 | 0.21 |
| 2. | May 2020 | 0.31 | 0.25 |
| 3. | June 2020 | 0.46 | 0.31 |
| 4. | July 2020 | 0.48 | 0.34 |
| 5. | August 2020 | 0.47 | 0.38 |
| 6. | September 2020 | 0.45 | 0.38 |
| 7. | October 2020 | 0.42 | 0.36 |
| 8. | November 2020 | 0.40 | 0.36 |
| 9. | December 2020 | 0.67 | 0.37 |
| 10. | January 2021 | 0.90 | 0.57 |
| 11. | February 2021 | 0.75 | 0.57 |
| 12. | March 2021 | 0.75 | 0.57 |

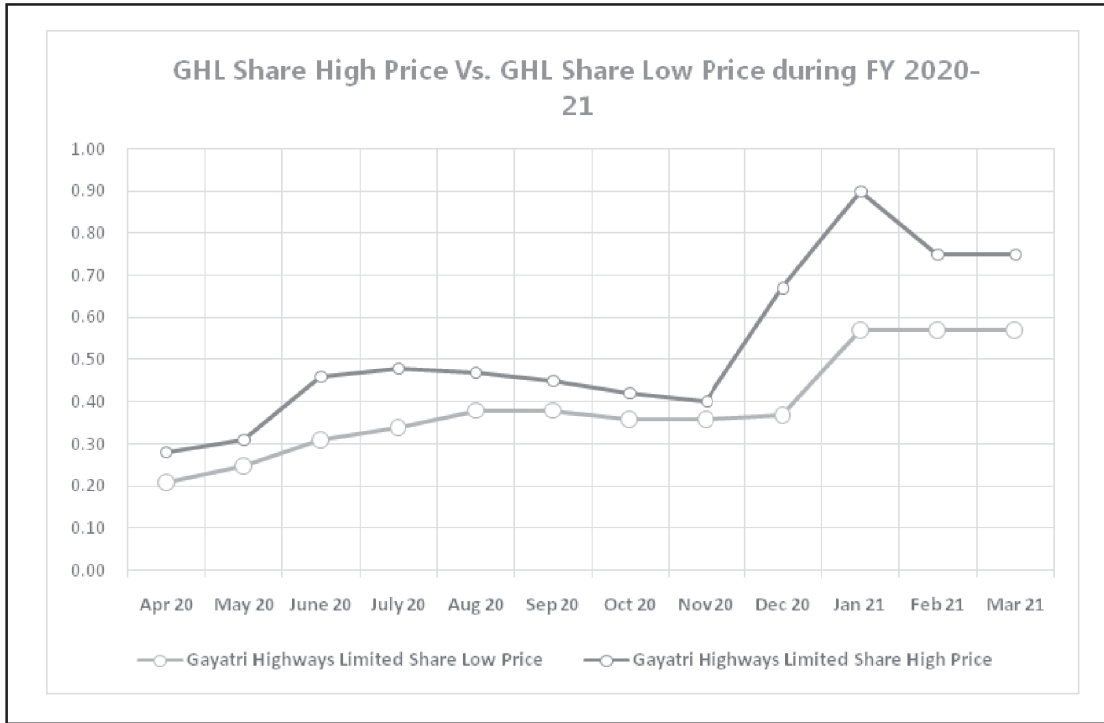
(b) Market Price Data : (National Stock Exchange of India Limited (NSE))

| Sl.No. | Month | High during the month | Low during the month |
|--------|----------------|-----------------------|----------------------|
| 1. | April 2020 | 0.25 | 0.20 |
| 2. | May 2020 | 0.35 | 0.20 |
| 3. | June 2020 | 0.50 | 0.30 |
| 4. | July 2020 | 0.55 | 0.30 |
| 5. | August 2020 | 0.50 | 0.35 |
| 6. | September 2020 | 0.45 | 0.35 |
| 7. | October 2020 | 0.45 | 0.35 |
| 8. | November 2020 | 0.40 | 0.35 |
| 9. | December 2020 | 0.80 | 0.35 |
| 10. | January 2021 | 0.95 | 0.55 |
| 11. | February 2021 | 0.80 | 0.55 |
| 12. | March 2021 | 0.75 | 0.55 |

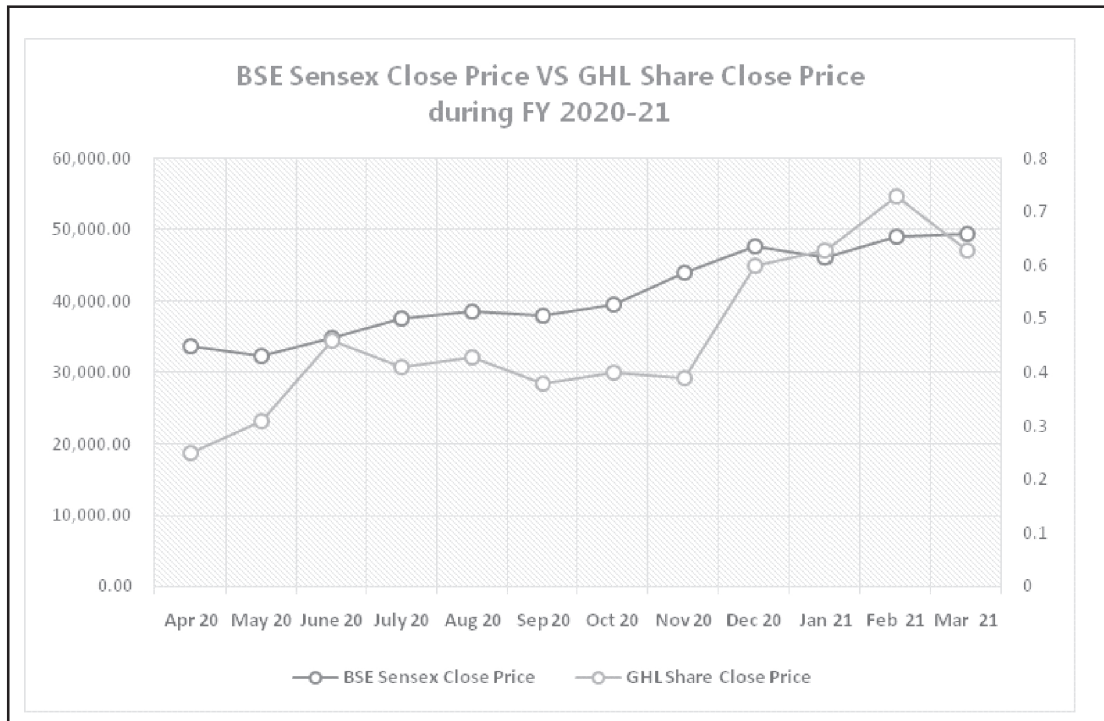


(c) Performance in comparison to broad - based indices of BSE SENSEX :

(i) Comparison between the Share price – High and low.

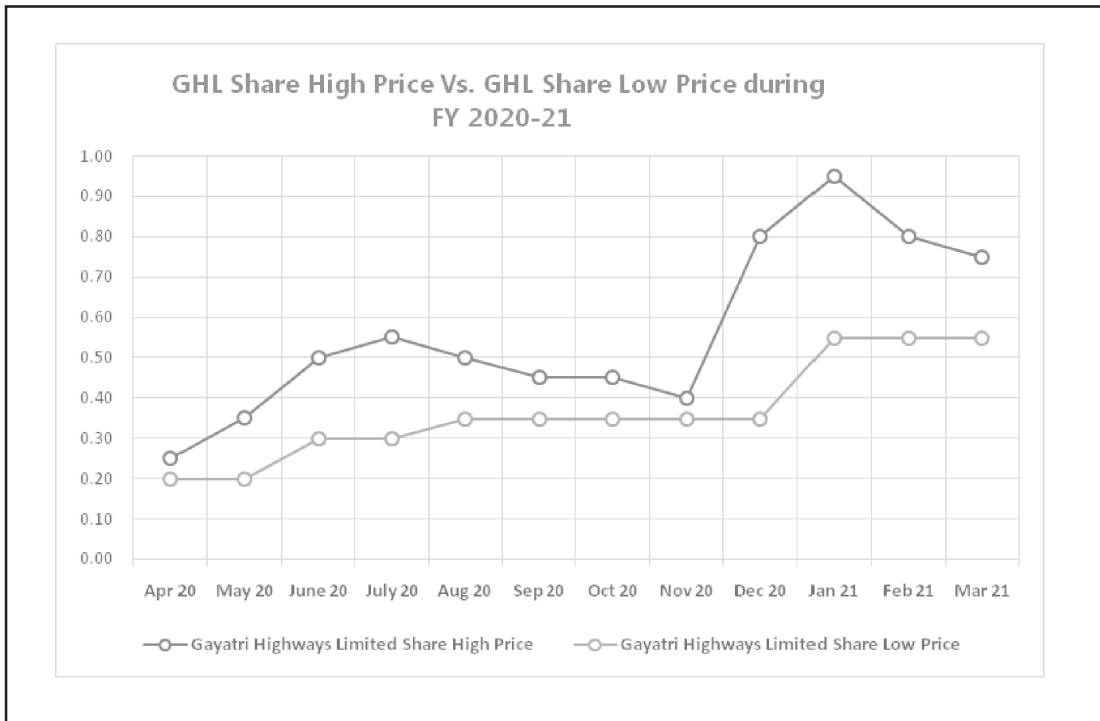


(ii) Comparison between BSE SENSEX close price and GHL share close price.

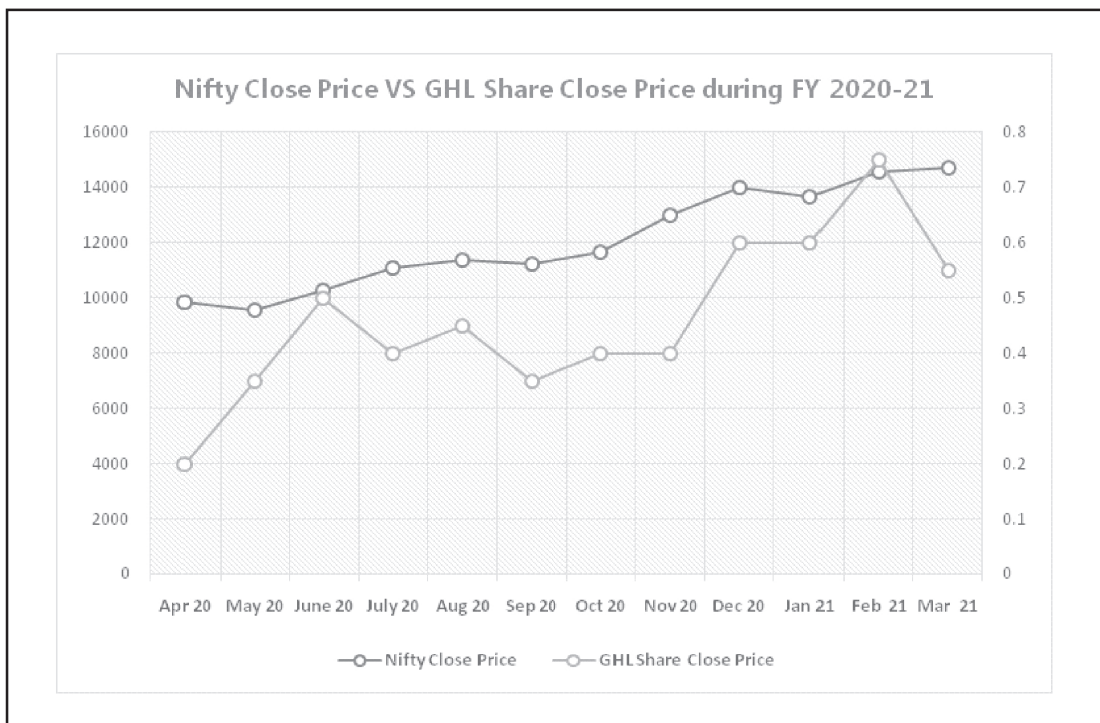


(d) Performance in comparison to broad - based indices of NIFTY :

(i) Comparison between the Share price - High and low.



(ii) Comparison between Nifty close price and GHL share close price





(e) There was no suspension of trading in the Securities of the Company during the Financial Year 2020-21.

(f) Registrar to an issue & Share Transfer Agents:

Registrar to an issue & Share Transfer Agents (for shares held in both Physical and Demat mode) are as follows:

M/s KFin Technologies Private Limited

Selenium Building Tower B, Plot No 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032
Tel : +91 040 67162222, Fax: +91 40 2300 1153
Email ID: einward.ris@kfintech.com/ anandan.k@kfintech.com

(g) Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Share Transfer Agents.

Share Transfer Committee is authorized to approve transfer of shares in the physical segment. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

(h) Distribution of shareholding

(i) Shareholding Pattern as on 31st March, 2021:

| Sl. No | Description | Total Shares | % Equity |
|--------|-------------------------------------|---------------------|---------------|
| 1. | Promoters & Directors | 84,154,710 | 35.12 |
| 2. | Promoter Companies | 62,400,000 | 26.04 |
| 3. | Foreign Institutional Investors | 1,67,35,015 | 6.98 |
| 4. | Bodies Corporates | 20,80,621 | 0.87 |
| 5. | Resident Individuals | 5,55,22,833 | 23.17 |
| 6. | Non Resident Indians | 80,44,305 | 3.36 |
| 7. | Clearing Members | 97,90,744 | 4.09 |
| 8. | Non Resident Indian Non Repatriable | 9,22,112 | 0.37 |
| 9. | I E P F | 1,560 | 0.00 |
| | Total | 23,96,51,900 | 100.00 |

(ii) Distribution of shareholding as on 31st March, 2021:

| Shares holding of nominal value of | No. of Shareholders | No. of Shares | % of total shares |
|------------------------------------|---------------------|---------------------|-------------------|
| 1 - 5000 | 15,521 | 56,55,641 | 2.359940 |
| 5001 - 10000 | 802 | 32,35,258 | 1.349982 |
| 10001 - 20000 | 581 | 47,17,042 | 1.968289 |
| 20001 - 30000 | 197 | 24,70,828 | 1.031007 |
| 30001 - 40000 | 130 | 24,40,611 | 1.018398 |
| 40001 - 50000 | 77 | 17,89,286 | 0.746619 |
| 50001 – 100000 | 186 | 71,23,685 | 2.972513 |
| 100001 & Above | 200 | 21,22,19,549 | 88.553251 |
| Total | 17,694 | 23,96,51,900 | 100.00 |

(i) Dematerialization of Shares & Liquidity

Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 23,96,49,619 equity shares were dematerialized representing 99.99% of the total paid up equity share capital of the Company as on 31st March, 2021.

(j) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31st March, 2021.

(k) Commodity price risk or foreign exchange risk and hedging activities;

The Company is not carrying on any Commodity business and has also not undertaken any hedging activities hence same are not applicable to the Company.

(l) There are 16,77,00,300, 9 % Non- Convertible Cumulative Redeemable Preference Shares (NCRPS) each of Rs.10/- each issued to Gayatri Projects Limited.

m) Plant Locations – N.A.

n) Address for correspondence:

| Sl. No. | Shareholders Correspondence for | Address |
|---------|--|--|
| 1. | Transfer/Dematerialization/ Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company. | M/s. KFin Technologies Private Limited Selenium Building Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, T.S. Tel : +91 040 67162222 Fax: +91 40 2300 1153 Email ID: einward.ris@kfintech.com anandan.k@kfintech.com |
| 2. | Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc. | Company Secretary Gayatri Highways Limited 6-3-1090, 1st Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana. Tel: +91 40 2331 0330 Fax: +91 40 2339 8435 Email: cs@gayatrihighways.com Website: www.gayatrihighways.com |

**10. OTHER DISCLOSURES****(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

Besides the transactions mentioned in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has fully complied with all its compliances under the Listing Regulations, all applicable regulations and circulars issued thereunder except for the appointment of 2 [Two] Directors on the Board from 01-04-2020 till 27-08-2020.

A penalty was levied on Gayatri Highways Limited by NSE for non-compliance of Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Composition of Board of Directors (Board) of having minimum 6 (Six) directors on its Board.

NSE levied a Fine of Rs.4,55,000/ For quarter ended June 30, 2020, for a period of 91 days -; and Rs. 3,42,200/- for quarter ended September 30, 2020, for a period of 58 days.

The Company has appointed 2 [Two] Directors in Independent Category on its Board with effect from "28-08-2020" and the total number of Directors on its Board on 28-08-2020 were 6 [Six] Directors.

No strictures/penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2020-21 except as mentioned above

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.gayatrihighways.com during the financial year under review, no Complaints were received.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

(e) Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://gayatrihighways.com/corporate-governance.html>

(f) Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: <http://gayatrihighways.com/corporate-governance.html>

(g) Disclosure of commodity price risks and commodity hedging activities: Not applicable

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Not Applicable

(i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Certificate issued by Mr.C.N. Kranthi Kumar, Practicing Company Secretary is attached to this Report.

(j) The board has accepted all the recommendations of various committees of the board which is mandatorily required, in the relevant financial year

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs.3,00,000/-

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year -NIL
- b. number of complaints disposed of during the financial year -NA
- c. number of complaints pending as on end of the financial year.-NIL

11. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

The company has complied the regulations of SEBI (LODR) as stated below:

| Regulation | Particulars of Regulation | Compliance Status (Yes/ No) |
|-------------------|--|-----------------------------|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stake Holders Relationship Committee | Yes |
| 21 | Risk Management Committee | NA |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirement with respect of Subsidiary of Listed entity | Yes |
| 25 | Obligation with respect to Independent Director | Yes |
| 26 | Obligation with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance Requirement | Yes |
| 46 (2) (b) to (i) | Website | Yes |



14. Declaration regarding compliance by board members and senior management personnel with the Company's Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

A declaration regarding the compliance by Board members and senior management with the Company's Code of Conduct has been enclosed at the end of the Corporate Governance Report.

15. CEO and CFO Certification

The annual certification given by the Chief Executive Officer and Chief Financial Officer of the Company is published in this Annual Report.

16. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

17. Unclaimed Dividend:

The Company has not issued any dividend since the inception of the Company. Hence it is not applicable.

18. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended 31st March, 2021, there were no proceeds from public issues, rights issues, preferential issues, etc.

19. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.gayatrihighways.com>

20. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.gayatrihighways.com>

21. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

For and on behalf of the Board

Place: Hyderabad
Date: 09th August, 2021

| | |
|---------------------------|---------------------------------|
| M.V. NARASIMHA RAO | KRISHNAMURTHY CHATURVEDI |
| DIRECTOR | DIRECTOR |
| DIN: 06761474 | DIN:08661228 |

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To

The Members of Gayatri Highways Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2021.

For Gayatri Highways Limited

Place: Hyderabad
Date: 09th August, 2021

K. G Naidu
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
Gayatri Highways Limited
1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082, Telangana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gayatri Highways Limited having CIN: L45100TG2006PLC052146 and having registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad – 500082, Telangana (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number [DIN] status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31-03-2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| SI. No. | Names of Director | DIN | Date of appointment in Company |
|---------|------------------------------|----------|--------------------------------|
| 1 | Jagannadha Rao Gavara | 01059819 | 07-02-2018 |
| 2 | Venkata Narasimha Rao Mysore | 06761474 | 07-02-2018 |
| 3 | Laxmi Pamarthy | 08051632 | 07-02-2018 |
| 4 | Krishnamurthy Chaturvedi | 08661228 | 14-02-2020 |
| 5 | Desina Balarama Krishna | 08846055 | 28-08-2020 |
| 6 | Venkata SindhujaPothapragada | 08852765 | 28-08-2020 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of the documents. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN:F009255C000767276

August, 2021
Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014TL1227000
Peer Reviewed Unit
Certificate No.612/2019

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
 The Members of
 Gayatri Highways Limited,
 Registered Office: 1st Floor, TSR Towers,
 6-3-1090, Rajbhavan Road, Somajiguda,
 Hyderabad - 500 082, Telangana.

I have examined all the relevant records of Gayatri Highways Limited [the "Company"] for the purpose of certifying compliance with the conditions of Corporate Governance for the financial year ended on 31-03-2021, as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance specified in the SEBI Listing Regulations except as follows:

Sl.No.: 1 [One]

Compliance Requirement: Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Composition of Board of Directors (Board)

Deviations: The Company was not having 6 (Six) directors on its Board: (a) for quarter ended June 30, 2020 for a period of 91 days (b) for quarter ended September 30, 2020 for a period of 58 days

Observations / Remarks: Non-compliance or delay in compliance as per SEBI SOP Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/12, Dated: January 22, 2020. National Stock Exchange of India Limited (NSE) letters vide reference no's:-

- a) NSE/LIST-SOP/CG/FINES/101661, Dated: 20-08-2020;
- b) NSE/LIST-SOP/COMB/FINES/0810, Dated: 17-11-2020; and
- c) NSE/LIST/SOP/0804, Dated: 17-11-2020.

The following are the actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

Action taken by: National Stock Exchange of India Limited (NSE)

Details of action taken against such deviation: NSE levied a FINE of Rs.4,55,000/- for quarter ended June 30, 2020 and Rs.3,42,200/- for quarter ended September 30, 2020.

NSE further directed to the Company to inform about the identified non-compliance / delayed compliance identified by the NSE and the subsequent action taken by the NSE before the Board in their next meeting, and the comments made by the Board shall be duly informed to the NSE for dissemination.



Observations / Remarks of the Company Secretary in Practice:-

- i. The Company has placed the matter of identified non-compliance / delayed compliance identified by the NSE before the Board in their next meeting.
- ii. The Company has paid the FINE amount of Rs.4,55,000/- and Rs.3,42,200/-.
- iii. The Company has placed the matter of payment of FINE before the Board in their next meeting.
- iv. The comments made by the Board were duly informed to the NSE for dissemination.
- v. The Company has also emailed the same information to listingsop@nse.co.in and also submitted the same on NEAPS.
- vi. (a) The Company has fully complied with all its compliances under the Listing Regulations, all applicable regulations and circulars issued thereunder except for the appointment of 2 [Two] Directors on the Board from **01-04-2020 till 27-08-2020**.
- (b) The compliance efforts of the Company for such appointment of directors was falling during such **“LOCKDOWN”** event which started from **“22-03-2020 to 30-06-2020”** as:-
 - The World Health Organisation has declared Coronavirus or COVID-19 [a disease caused by a novel corona virus SARS CoV-2] as a Public Health Emergency of International Concern on 30-01-2020 and a Global Pandemic on 11-03-2020.
 - The Company’s registered office is situated in the Telangana State which invoked the Epidemic Diseases Act, 1897 and enforced the lockdown across the State on 22-03-2020 and the same continued till 30-06-2020 with restrictive relaxations only.
- (c) So, the Company has appointed 2 [Two] Directors in Independent Category on its Board with effect from “28-08-2020” and the total number of Directors on its Board on 28-08-2020 were 6 [Six] Directors.
- (d) The material event which occurred was beyond the control of the Company making it an impossible, unpreventable and situation which will impact the initiation, filing, reporting and compliance matter of Stock Exchanges, and any action during this event by the Company including its assessment and impact was unimaginable.
- (e) However, the Management Representations made by the Company including waiver or reduction of fine in in this matter were not well-thought-out.

I further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN : F009255C000767201
August, 2021
Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No : I2014TL1227000
Peer Reviewed Unit
Certificate No. 612/2019

CEO AND CFO CERTIFICATION

To
The Board of Directors
Gayatri Highways Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of GAYATRI HIGHWAYS LIMITED (“the Company”), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company’s Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Hyderabad
Date: 09th August, 2021

K.G. Naidu
Chief Executive Officer

P.K Sahoo
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of GAYATRI HIGHWAYS LIMITED

Report on the audit of the Standalone Ind AS financial statements

Opinion

We have audited the Standalone Ind AS financial statements of Gayatri Highways Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

| Key Audit Matters | Auditor's Response |
|--|---|
| <p>1. As at 31.03.2021, the Company has total investments of 540.32 Cr which are classified as financial assets in the financial statements. Out of which the Company has an investment of Rs. 349.95 Cr in the equity and instruments entirely equity in nature of various Subsidiaries of the Company and Rs, 190.37 Cr in the equity, optionally convertible debentures and instruments entirely equity in nature of Jointly controlled entities of the Company which are measured at fair value as per Ind AS 109 read with Ind AS 113.</p> <p>These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and</p> | <p>1. Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewed the fair valuation reports obtained by the management by involvement of external valuation experts. • Assessed the methodology and the assumptions applied in determining the fair value by engaging valuation specialists. • Assessed the objectivity, independence and competence of the Company's external specialists involved in the process |

accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits the tangible assets of subsidiaries/ joint ventures and expected future economic benefits. Accordingly, the same has been considered as a key audit matter.

2. As at 31.03.2021, the Company has total investments of 540.32 Cr which are classified as financial assets in the financial statements. Out of which the Company has an investment of Rs. 349.95 Cr in the equity and instruments entirely equity in nature of various Subsidiaries of the Company and Rs, 190.37 Cr in the equity, optionally convertible debentures and instruments entirely equity in nature of Jointly controlled entities of the Company,

The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company.

As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as Investments in subsidiaries, associates and joint ventures. Accordingly, in assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum, the external and internal sources of information, any other indications or evidences from internal reporting that indicates that the assets may be impaired.

This assessment involves significant judgment especially in relation to determination of expected future economic benefits.

Accordingly the evaluation of impairment of investments in subsidiaries/joint ventures was determined to be a key audit matter.

3. The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceed its current assets.

The Company financial statements were prepared on a going concern basis. Management's statement in respect of going concern is set out in Note 33 of the financial statements.

2. In respect of the impairment indicator assessment for the investments in subsidiaries/ joint ventures, our audit procedures included and were not limited to the following:-

- Obtained and read the financial statements of subsidiaries/joint ventures to identify if any disclosure is made for impairment of assets in its standalone financial statements.
- Obtained the impairment indicator assessment performed by the management considering internal/external sources of information.
- We have obtained the management's understanding with regard to impairment of the investments made in loss making subsidiary companies/joint ventures.
- We have obtained the company's management opinion in estimating the realisable value of the investments made by the subsidiary companies/ joint ventures.

3. We have evaluated the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead

Emphasis of Matter

As stated in note no. 35, the company has no impact of Covid-19 on the performance of the company during the year. Our opinion is not modified in respect of this matter.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **G.S.SAI BABU & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 9th June 2021

UDIN : 21208341AAAAAQ7677

Annexure 'A' to the Independent Auditor's Report of GAYATRI HIGHWAYS LIMITED for the Year ended as on 31st March 2021

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company has no immovable property hence paragraph 3(i)(c) of the Order is not applicable to the company.
- ii As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2021, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable .
- b. There are no dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute.
- viii. There are no loans or borrowings payable to banks or government and no dues payable to debenture-holders. As stated in note no.12(vi), the Company has defaulted in the repayment of term loan and interest thereon within the due dates and as on 31st March 2021, the outstanding principal amount is Rs.53.51 Crores and the Interest amount is Rs.2.31 Crores.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

- xi. The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. On the basis of information and explanations provided to us by the management, read with note 33 to the accompanying financial statements, provisions of Section 451A of the Reserve Bank of India Act, 1934 is not applicable to the Company. Accordingly, the Company has not got itself registered under the aforesaid provisions as at 31 March 2021.

For **G.S.SAI BABU & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 9th June 2021

UDIN : 21208341AAAAAQ7677

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT (Referred to in our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gayatri Highways Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G.S.SAI BABU & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 9th June 2021

UDIN : 21208341AAAAAQ7677

Balance Sheet as at 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | Notes | As at 31 March 2021 | As at 31 March 2020 |
|--|-------|------------------------------|------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 10,30,562 | 13,98,814 |
| Financial assets | | | |
| - Investments | 4 | 5,40,31,91,365 | 5,38,48,58,291 |
| - Loans | 5 | 19,36,00,000 | 28,54,31,035 |
| Tax assets, net | 6 | 50,22,686 | 94,01,138 |
| | | <u>5,60,28,44,613</u> | <u>5,68,10,89,278</u> |
| Current assets | | | |
| Financial assets | | | |
| - Trade receivables | 7 | 2,56,303 | 11,625 |
| - Cash and cash equivalents | 8 | 72,01,050 | 12,97,250 |
| - Loans | 5 | 28,20,49,007 | 31,31,73,310 |
| Other Current Assets | 9 | 25,03,871 | — |
| | | <u>29,20,10,231</u> | <u>31,44,82,185</u> |
| Total assets | | <u><u>5,89,48,54,844</u></u> | <u><u>5,99,55,71,463</u></u> |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 10 | 47,93,03,800 | 47,93,03,800 |
| Instruments entirely equity in nature | 11 | 1,78,87,50,889 | 1,78,87,50,889 |
| Other equity | 12 | (46,62,68,944) | (28,95,44,445) |
| Total Equity | | <u>1,80,17,85,745</u> | <u>1,97,85,10,244</u> |
| Non-current Liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 13 | 2,43,16,54,352 | 2,28,07,24,082 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Trade Payables | 14 | 83,67,985 | 1,30,00,795 |
| - Short-term borrowings | 13 | 1,59,12,84,541 | 1,59,32,69,642 |
| - Other financial liabilities | 15 | 5,91,41,168 | 12,83,14,312 |
| Other current liabilities | 16 | 26,21,053 | 17,52,388 |
| Total liabilities | | <u>4,09,30,69,099</u> | <u>4,01,70,61,219</u> |
| Total equity and liabilities | | <u><u>5,89,48,54,844</u></u> | <u><u>5,99,55,71,463</u></u> |

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | Notes | For the year ended | |
|--|-------|-----------------------|-----------------------|
| | | 31 March 2021 | 31 March 2020 |
| Revenue from Operations | 17 | 4,94,10,644 | 4,63,53,020 |
| Other income | 18 | 9,40,10,391 | 8,86,39,931 |
| Total income | | 14,34,21,035 | 13,49,92,951 |
| Expenses | | | |
| Operating & Maintenance Expenses | 19 | 1,03,49,143 | 1,27,32,640 |
| Employee benefits expense | 20 | — | 35,000 |
| Finance costs | 21 | 30,18,47,442 | 31,77,04,538 |
| Depreciation expense | 3 | 3,68,252 | 3,21,306 |
| Other expenses | 22 | 75,80,697 | 53,52,540 |
| Total expenses | | 32,01,45,534 | 33,61,46,024 |
| Loss before tax | | (17,67,24,499) | (20,11,53,073) |
| Current tax | | — | — |
| Loss for the year | | (17,67,24,499) | (20,11,53,073) |
| Other comprehensive income | | — | — |
| Total comprehensive loss for the year | | (17,67,24,499) | (20,11,53,073) |
| Earnings per equity share (EPES) | 24 | | |
| Basic | | (0.74) | (0.84) |
| Diluted | | (0.74) | (0.84) |

The accompanying notes form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Cash Flows for the year ended 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | For the year ended | |
|---|-----------------------|-----------------------|
| | 31 March 2021 | 31 March 2020 |
| Cash flows from operating activities | | |
| Loss before tax | (17,67,24,499) | (20,11,53,073) |
| Adjustments for: | | |
| Depreciation expense | 3,68,252 | 3,21,306 |
| Interest income and financial guarantee income | (9,19,85,491) | (8,69,02,121) |
| Interest expense | 15,09,17,172 | 16,56,49,268 |
| Operating loss before working capital changes | (11,74,24,566) | (12,20,84,620) |
| Changes in working capital: | | |
| (Decrease)/increase in other current liabilities | (21,92,21,651) | (6,76,64,538) |
| Increase in other current assets | 18,74,581 | 6,11,322 |
| Increase Trade receivables | (2,44,678) | 5,96,68,334 |
| Decrease/Increase in trade payables | (46,32,810) | (2,33,69,679) |
| Decrease/(increase) in loans and advances | 21,49,40,829 | 2,94,99,008 |
| Cash generated from/(used in) operating activities | (12,47,08,295) | (12,33,40,173) |
| Less: Income taxes refund received /(paid) | — | — |
| Net cash generated from/(used in) operating activities A | (12,47,08,295) | (12,33,40,173) |
| Cash flows from investing activities | | |
| Interest received | — | — |
| Purchase of Fixed Assets | — | (7,91,386) |
| Purchase of Investments | (65,39,970) | — |
| Decrease/(increase) in investments as per fair valuation | (1,17,93,104) | (1,01,66,468) |
| Net cash used in investing activities B | (1,83,33,074) | (1,09,57,854) |
| Cash flows from financing activities | | |
| Interest paid | (19,44,42,389) | (21,14,46,326) |
| Proceeds from short-term borrowings, net | 63,72,86,304 | 45,01,60,000 |
| Increase in cumulative liability on preference shares | 15,09,30,270 | 15,09,30,270 |
| Repayment of term loan | (44,48,29,016) | (27,00,00,000) |
| Transfer of Loan from Long term to Short terms | — | — |
| Proceeds from long-term borrowings | — | — |
| Net cash (used in)/generated from financing activities C | 14,89,45,169 | 11,96,43,944 |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 59,03,800 | (1,46,54,083) |
| Cash and cash equivalents at the beginning of the year | 12,97,251 | 1,59,51,334 |
| Cash and cash equivalents at the end of the year | 72,01,051 | 12,97,251 |
| Cash and cash equivalents comprises of: | | |
| Cash on hand | 1,23,821 | 1,41,312 |
| Balances with banks in current accounts | 70,77,230 | 11,55,939 |
| | 72,01,051 | 12,97,251 |

This is the Cash Flow Statement referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | Number | Amount | |
|--|------------------------|--------------------------|---------------------------|
| (a) Share Capital | | | |
| (i) Equity Share Capital | | | |
| Equity shares of ₹ 2 each issued, subscribed and fully paid | | | |
| At 31 March 2020 (₹2 each) | 23,96,51,900 | 47,93,03,800 | |
| At 31 March 2021 (₹ 2 each) | 23,96,51,900 | 47,93,03,800 | |
| (b) Instruments entirely equity in nature | | | |
| | 31st March 2021 | 31st March 2020 | |
| Opening Balance | 1,78,87,50,889 | 1,78,87,50,889 | |
| Changes during the year (refer note no 25) | — | — | |
| Closing Balance | 1,78,87,50,889 | 1,78,87,50,889 | |
| (c) Other equity | | | |
| | Capital Reserve | Retained earnings | Total other equity |
| Balance as of 1st April 2019 | 46,62,79,827 | (55,46,71,199) | (8,83,91,372) |
| Loss for the year | — | (20,11,53,073) | (20,11,53,073) |
| Balance as of 31st March 2020 | 46,62,79,827 | (75,58,24,272) | (28,95,44,445) |
| Balance as of 1st April 2020 | 46,62,79,827 | (75,58,24,272) | (28,95,44,445) |
| Loss for the year | — | (17,67,24,499) | (17,67,24,499) |
| Balance as of 31st March 2021 | 46,62,79,827 | (93,25,48,771) | (46,62,68,944) |

This is the Statement of Changes in Equity referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

Satya Sai Babu Gurram
Proprietor
M.No.:208341

Place :Hyderabad
Date : 9th June 2021

For and on behalf of Board of directors of
Gayatri Highways Limited

M.V.Narasimha Rao
Director
DIN:06761474

K.G.Naidu
Chief Executive Officer

G.Jagannadha Rao
Director
DIN:01059819

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

1. Nature of operations

Gayatri Highways Limited - GHL (“the Company”) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

2. Summary of significant accounting policies

a) Basis of preparation of standalone financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Unless otherwise stated, the accounting policies applied by the Group are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the group’s normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities

b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses. Examples of such estimates include the provision for doubtful receivables, determination of recoverable amounts of fixed assets, deferred tax assets, employee benefits and useful lives of fixed assets.

Although these estimates are based on management’s best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Significant accounting judgements, estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

f) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to

settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans

Equity investments:

All equity investments in jointly controlled entities are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. the rights to receive cash flows from the asset have expired, or
- b. the Company has transferred its rights to receive cash flows from the asset, and (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on debt instruments.

B) Financial Liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

j) Fixed assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation thereon. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets represent commercial rights to collect toll fee in relation to roads projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on build, operate and transfer basis. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, obligation towards negative grant payable to concessionaires, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

k) Depreciation and amortization

Depreciation of tangible assets is provided on the basis of straight line method in accordance with Schedule II to the Companies Act, 2013.

l) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

m) Borrowings Costs

In Case of concession arrangement under financial asset model, borrowing Costs that are attributable to the acquisition and/or construction of the infrastructure are charged to The Statement of Profit and Loss in the period in which such costs are incurred.

In Case of concession arrangement under intangible asset model, borrowing cost of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. Any income on the temporary investments of borrowings is deducted from the borrowing cost. All borrowing cost subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

n) Foreign currency transactions and derivatives

- a. The reporting currency of the company is the Indian Rupee.
- b. Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.
- c. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.

o) Valuation of Investments in Sai Maatarini Tollways Limited (SMTL)

- a. Sai Maatarini Tollways Limited (SMTL) is Special Purpose Vehicle (SPV) incorporated for the purpose of execution of the project "Four Laning of Panikoili-Rimuli section of NH-215 from KM 0.00 to KM 163.00 (Design Length 166.173 KM) in the State of Odisha under NHDP Phase-III as BOT (Toll) basis on DBFOT pattern." As per the Concession Agreement dated September 28, 2011 signed with National Highways Authority of India ("NHAI"), the Concession Period is for 24 years. The Company has achieved Provisional Completion Certificate on 08.08.2017 and Toll Collections are started from 17.08.2017. The company has received Termination Notice from the NHAI on 28.01.2020 and the company has handed over the Toll assets on 30.01.2020 at 08.00 AM. Presently the Company does not have any operations due to termination and handing over of the Company's project.
- b. As per the appointed independent expert as an exclusive financial advisor by SMTL, who has submitted their report dated 16.11.2020 which consists of 2 different modes of calculation for Termination payment:
 - i. CASE-I: The amount of Termination Payment in case of Political Force Majeure event comes to Rs. 2,296.67 cr. (Rs.1,997.89 Cr as 100% of Debt Due & Rs.298.78 Cr as 150% of Adjusted Equity)
 - ii. CASE-II: The NPV of the asset is calculated on the basis of Free Cash Flow to Firm (FCFF) for residual period of Concession period as on Transfer date i.e. 28.01.2020. This amount comes to Rs. 2,918.62 Cr.
- c. As on 31st March, 2021, total outstanding liabilities to the Term loan Lenders is Rs.1,816.13 Cr.
- d. Based on the conservative basis, the termination payment is much higher than the existing outside liabilities; hence the Company (GHL) assumed that there is no need for providing any impairment of Value of Investments in SMTL.

3. Property, Plant and equipment

| | Office Equipment | Vehicle | Machinery | Computer and related equipment | Total |
|---------------------------------|---------------------|-----------------|-----------------|--------------------------------------|------------------|
| Gross block | | | | | |
| As at 31st March 2019 | 1,61,999 | — | 5,60,170 | 14,14,139 | 21,36,308 |
| Additions during the year | — | 7,91,386 | — | — | 7,91,386 |
| As at 31st March 2020 | 1,61,999 | 7,91,386 | 5,60,170 | 14,14,139 | 29,27,694 |
| Additions during the year | — | — | — | — | — |
| As at 31st March 2021 | 1,61,999 | 7,91,386 | 5,60,170 | 14,14,139 | 29,27,694 |
| Accumulated depreciation | | | | | |
| Up to 31st March 2019 | 1,61,999 | — | 1,841 | 10,43,734 | 12,07,574 |
| Charge for the year | — | 51,206 | 1,12,279 | 1,57,821 | 3,21,306 |
| Up to 31st March 2020 | 1,61,999 | 51,206 | 1,14,120 | 12,01,555 | 15,28,880 |
| Charge for the year | — | 98,889 | 1,11,973 | 1,57,390 | 3,68,252 |
| Up to 31st March 2021 | 1,61,999 | 1,50,095 | 2,26,093 | 13,58,945 | 18,97,132 |
| Net block | | | | | |
| As at 31st March 2021 | — | 6,41,291 | 3,34,077 | 55,194 | 10,30,562 |
| As at 31st March 2020 | — | 7,40,180 | 4,46,050 | 2,12,584 | 13,98,814 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

4. Investments

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Non-current investments | | |
| Unquoted | | |
| Investments carried at cost | | |
| Investments in equity instruments of Subsidiaries | | |
| 1,00,00,843 (2020: 1,00,00,843) equity shares of ₹10 each fully paid-up in Sai Maatarini Tollways Limited | 1,79,40,47,807 | 1,79,40,47,807 |
| 33,320 (2020: 33,320) equity shares of ₹ 10 each fully paid-up in Indore Dewas Tollways Limited. | 3,33,400 | 3,33,400 |
| 99,995 (2020: 48,995) equity shares of ₹ 10 each fully paid-up in Balaji Highways Holding Private Limited. | 10,00,000 | 4,90,000 |
| Sub-Total (A) | 1,79,53,81,207 | 1,79,48,71,207 |
| Investments in equity instruments of jointly controlled entities | | |
| 990,000 (2020: 990,000) equity shares of ₹ 10 each fully paid-up in Hyderabad Expressways Limited. | 15,81,36,417 | 15,81,36,417 |
| 396,000 (2020: 396,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited. | 4,22,39,111 | 4,22,39,111 |
| 21,619,994 (2020: 21,619,994) equity shares of ₹ 10 each fully paid-up in Gayatri Jhansi Roadways Limited. | 26,68,94,205 | 26,68,94,205 |
| 16,218,000 (2020: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited. | 20,09,45,837 | 20,09,45,837 |
| 2,320,639 (2020: 1,717,642) equity shares of ₹ 10 each fully paid-up in HKR Roadways Limited. | 2,32,06,390 | 1,71,76,420 |
| Sub-Total (B) | 69,14,21,960 | 68,53,91,990 |
| Investments in debentures of jointly controlled entities | | |
| 8,550,000 (2020: 8,550,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited. | 8,55,00,000 | 7,37,06,896 |
| Sub-Total (C) | 8,55,00,000 | 7,37,06,896 |
| Investments in Instruments entirely Equity in nature | | |
| - Investments in Subsidiary (Sai Maatarini Tollways Limited) | 1,00,15,99,644 | 1,00,15,99,644 |
| - Investments in Subsidiary (Indore Dewas Tollways Limited) | 70,25,00,000 | 70,25,00,000 |
| -Investments in Jointly controlled entity (HKR Roadways Limited) | 1,12,67,88,554 | 1,12,67,88,554 |
| Sub-Total (D) | 2,83,08,88,198 | 2,83,08,88,198 |
| Total non-current investments (A+B+C+D) | 5,40,31,91,365 | 5,38,48,58,291 |
| Less: Investments held for sale | — | — |
| Net value of non-current investments | 5,40,31,91,365 | 5,38,48,58,291 |
| Aggregate amount of unquoted investments | 5,40,31,91,365 | 5,38,48,58,291 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

5. Loans

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Non-current | | |
| (Unsecured, considered good) | | |
| Loans to related parties | | |
| - Loans to jointly controlled entities | 19,36,00,000 | 28,54,31,035 |
| | <u>19,36,00,000</u> | <u>28,54,31,035</u> |
| Current | | |
| (Unsecured, considered good) | | |
| Loans to related parties | | |
| - Loans to subsidiary | 58,44,654 | 39,78,314 |
| - Loans to jointly controlled entities | 27,62,04,353 | 30,91,94,996 |
| | <u>28,20,49,007</u> | <u>31,31,73,310</u> |
| Aggregate of Loans and Advances | 47,56,49,007 | 59,86,04,345 |

6 Tax assets, net

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|-----------------|------------------------|------------------------|
| TDS Receivables | 50,22,686 | 94,01,138 |
| | <u>50,22,686</u> | <u>94,01,138</u> |

7 Trade receivables

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------|------------------------|------------------------|
| (Unsecured, considered good) | | |
| - related parties | 2,56,303 | 11,625 |
| | <u>2,56,303</u> | <u>11,625</u> |

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally receivable on presentation of invoice.

8 Cash and cash equivalents

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------|------------------------|------------------------|
| Balances with banks | | |
| - on current accounts | 70,77,230 | 11,55,939 |
| Cash on hand | 1,23,821 | 1,41,312 |
| | <u>72,01,050</u> | <u>12,97,250</u> |

9 Other Current Assets

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--------------------------|------------------------|------------------------|
| Prepaid Expenses | 24,91,559 | — |
| Other Loans and Advances | 12,312 | — |
| | <u>25,03,871</u> | <u>—</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

10 Equity Share capital

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|--|------------------------|---------------------|------------------------|---------------------|
| | Number | Amount | Number | Amount |
| Authorized Equity Share Capital | | | | |
| Equity shares of ₹ 2 each | 25,00,00,000 | 50,00,00,000 | 25,00,00,000 | 50,00,00,000 |
| | <u>25,00,00,000</u> | <u>50,00,00,000</u> | <u>25,00,00,000</u> | <u>50,00,00,000</u> |
| Issued, subscribed and fully paid-up Equity Share Capital | | | | |
| Equity shares of ₹ 2 each | 23,96,51,900 | 47,93,03,800 | 23,96,51,900 | 47,93,03,800 |
| | <u>23,96,51,900</u> | <u>47,93,03,800</u> | <u>23,96,51,900</u> | <u>47,93,03,800</u> |

Note: The Company also has Authorised Preference Share Capital of 18,00,00,000 shares of Rs. 10/- each, paidup preference share capital of 16,77,00,300 shares of Rs. 10/- each. The preference share capital is treated as long-term borrowings as per Indian Accounting Standards (refer note 13).

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---------------------------------------|------------------------|---------------------|------------------------|---------------------|
| | Number | Amount | Number | Amount |
| At the beginning of the year | 23,96,51,900 | 47,93,03,800 | 23,96,51,900 | 47,93,03,800 |
| Issued during the year | — | — | — | — |
| Balance at the end of the year | <u>23,96,51,900</u> | <u>47,93,03,800</u> | <u>23,96,51,900</u> | <u>47,93,03,800</u> |

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|----------------------------------|------------------------|--------------|------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of ₹ 2 each | | | | |
| Gayatri Projects Limited | 6,24,00,000 | 26.04% | 6,24,00,000 | 26.04% |
| Sri T.V. Sandeep Kumar Reddy | 2,70,19,810 | 11.27% | 2,70,19,810 | 11.27% |
| Smt T. Indira Subbarami Reddy | 5,71,29,500 | 23.84% | 5,71,29,500 | 23.84% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

11 Instrument entirely equity in nature

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------|------------------------|------------------------|
| Loans from Related Party: | | |
| Gayatri Projects Ltd. | 1,78,87,50,889 | 1,78,87,50,889 |
| | 1,78,87,50,889 | 1,78,87,50,889 |

12 Other equity

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Capital Reserve | | |
| Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (refer note 25) | 46,62,79,827 | 46,62,79,827 |
| Retained earnings | | |
| Balance as per last audited financial statements | (75,58,24,272) | (55,46,71,199) |
| Add: Loss for the year | (17,67,24,499) | (20,11,53,073) |
| Balance at the end of the year | (93,25,48,771) | (75,58,24,272) |
| Total other equity | (46,62,68,944) | (28,95,44,445) |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

13 Borrowings

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| (a) Non-current borrowings | | |
| Term loans | | |
| Unsecured | | |
| From related party - 9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each | 1,67,70,03,000 | 1,67,70,03,000 |
| Sub-Total (A) | 1,67,70,03,000 | 1,67,70,03,000 |
| Cumulative liability on Preferences Shares (B) | 75,46,51,352 | 60,37,21,082 |
| Total Non-Current borrowings (A+B) | 2,43,16,54,352 | 2,28,07,24,082 |
| (b) Short-term borrowings | | |
| Loans repayable on demand | | |
| Unsecured | | |
| From related party | 76,65,84,673 | 32,37,40,758 |
| From Others | 82,46,99,868 | 1,26,95,28,884 |
| Sub-Total (B) | 1,59,12,84,541 | 1,59,32,69,642 |

i) Term loans from others aggregating to ₹53,51,70,984 (31st March 2020: 980,000,000;) is secured by way of; (a)pledge of 1,180,555 Equity shares held by the company, M/s Gayatri Projects Ltd; (b) corporate guarantee of Gayatri Projects Limited; (c)personal guarantee of Mr. T V Sandeep Kumar Reddy; and (d) demand promissory note.

ii) Terms of repayment

| | As at 31 March 2021 | As at 31 March 2020 |
|---------------|------------------------|------------------------|
| Up to 1 year | 53,51,70,984 | 98,00,00,000 |
| 2 to 5 years | — | — |
| Above 5 years | — | — |
| | 53,51,70,984 | 98,00,00,000 |

iii) The above facilities carry an annual interest rate of 15% (31st March 2020: 15%)

iv) **Settlement Agreement** - The company entered into a settlement agreement dated 14th September 2020 with Gayatri Projects Limited and IL&FS Financial Services Limited. As per this, the existing principal outstanding Rs.84,09,82,972/- will be repaid in 11 equal monthly instalments commencing from 15.09.2020 including interest accrued thereon.

v) Short-term borrowing represents interest free loans repayable on demand.

vi) Terms of Preference Shares

- The Company has only one class of 9% Non-convertible cumulative redeemable preference shares having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.
- As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

14 Trade Payables

| | As at 31 March 2021 | As at 31 March 2020 |
|----------------|------------------------|------------------------|
| Trade payables | 83,67,985 | 1,30,00,795 |
| | <u>83,67,985</u> | <u>1,30,00,795</u> |

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2021 or 31st March 2020.

15 Other financial liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Interest accrued and due on borrowings | 2,31,27,778 | 7,88,88,016 |
| Financial guarantee | 3,60,13,390 | 4,94,26,296 |
| | <u>5,91,41,168</u> | <u>12,83,14,312</u> |

16 Other Current liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|------------------------|
| Creditors for expenses | 7,26,259 | 7,71,734 |
| Statutory liabilities | 18,94,794 | 9,80,654 |
| | <u>26,21,053</u> | <u>17,52,388</u> |

17 Revenue from Operations

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Operation & Maintenance Income | 3,35,70,644 | 3,19,53,020 |
| Deputation Income | 1,58,40,000 | 1,44,00,000 |
| | <u>4,94,10,644</u> | <u>4,63,53,020</u> |

18 Other income

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|----------------------------|-------------------------------------|-------------------------------------|
| Interest on Advances | 2,11,10,517 | 2,11,10,517 |
| Financial interest income | 5,74,62,069 | 4,95,36,266 |
| Financial guarantee income | 1,34,12,905 | 1,62,55,338 |
| Others | 20,24,900 | 17,37,810 |
| | <u>9,40,10,391</u> | <u>8,86,39,931</u> |

19 Operating & Maintenance Expenses

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--------------|-------------------------------------|-------------------------------------|
| O&M Expenses | 1,03,49,143 | 1,27,32,640 |
| | <u>1,03,49,143</u> | <u>1,27,32,640</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

20 Employee benefits expense

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--------------------|-------------------------------------|-------------------------------------|
| Salaries and wages | — | 35,000 |
| | <u>—</u> | <u>35,000</u> |

21 Finance costs

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on borrowings | 15,09,17,172 | 16,56,49,268 |
| Finance cost on Preference Shares | 15,09,30,270 | 15,09,30,270 |
| Other borrowing costs | — | 11,25,000 |
| | <u>30,18,47,442</u> | <u>31,77,04,538</u> |

22 Other expenses

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Rates and taxes | 2,79,866 | 13,565 |
| Bank Charges | 28,633 | 4,033 |
| Auditor's remuneration (refer note below) | 3,00,000 | 3,00,000 |
| Advertisement Expenses | 2,39,860 | 2,64,285 |
| Printing and Stationery | 92,015 | 2,56,550 |
| Postage and Telegraphs | — | 72,421 |
| Office Maintenance | 1,95,635 | 1,39,062 |
| Consultancy and professional charges | 40,47,967 | 32,70,515 |
| Travelling and conveyance | 91,761 | 2,29,709 |
| Other Administrative Expenses | 11,32,160 | — |
| Director's sitting fees | 11,72,800 | 8,02,400 |
| | <u>75,80,697</u> | <u>53,52,540</u> |
| Auditor's remuneration | | |
| -as statutory auditor | <u>3,00,000</u> | <u>3,00,000</u> |
| | <u>3,00,000</u> | <u>3,00,000</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

23 Tax expense

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| A. Tax expense comprises of: | | |
| Current tax | — | — |
| Deferred tax | — | — |
| Income tax expense reported in the statement of profit or loss | — | — |
| B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate | | |
| The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows: | | |
| | (17,67,24,499) | (20,11,53,073) |
| Accounting profit before income tax | (17,67,24,499) | (20,11,53,073) |
| At India's statutory income tax rate of 34.608%* | — | — |
| Income tax expense | — | — |

* Due to losses in current and earlier years, the management has not recognised deferred tax assets

24 Earnings/(loss) per share (EPS)

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Weighted average number of shares used to compute EPS | 23,96,51,900 | 23,96,51,900 |
| Add: Dilutive shares | — | — |
| Weighted average number of shares used to compute diluted EPS | 23,96,51,900 | 23,96,51,900 |
| Net loss after tax attributable to equity shareholders | (17,67,24,499) | (20,11,53,073) |
| Add: Savings of interest upon conversion of instruments | — | — |
| Net loss after tax attributable to equity shareholders for calculating diluted earning per share | (17,67,24,499) | (20,11,53,073) |
| Earnings per share | | |
| Basic (₹) | (0.74) | (0.84) |
| Diluted (₹) | (0.74) | (0.84) |
| Nominal value - Rupees (₹) per equity share | 2 | 2 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

25 Goodwill / Capital Reserve

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| (i) Acquisition of Subsidiaries | | |
| Cost of Investment in SMTL | | |
| (a) Equity Share Capital of GHL issued to GPL | 12,46,00,000 | 12,46,00,000 |
| (b) Preference Share Capital of GHL issued to GPL | 167,70,03,000 | 167,70,03,000 |
| Total (A) | 180,16,03,000 | 180,16,03,000 |
| Value of Investment in SMTL | | |
| (a) Equity Share capital of SMTL | 10,00,08,430 | 10,00,08,430 |
| (b) Securities Premium | 170,15,94,153 | 170,15,94,153 |
| (c) Profit & Loss A/c | (75,54,776) | (75,54,776) |
| Total (B) | 179,40,47,807 | 179,40,47,807 |
| Goodwill on Acquisition of Subsidiaries (A-B) (I) | 75,55,193 | 75,55,193 |
| (ii) Acquisition of Investments(from Demerger) | | |
| Cost of Investment of BOT Assets | | |
| (a) Equity Share Capital of GHL issued to GPL | 35,45,03,800 | 35,45,03,800 |
| Total (A) | 35,45,03,800 | 35,45,03,800 |
| Value of Assets received from GPL | | |
| Investments in Infrastructure BOT Assets | 105,90,13,591 | 105,90,13,591 |
| Other Net Assets(BOTs) received from GPL | (23,06,74,771) | (23,06,74,771) |
| Total (B) | 82,83,38,820 | 82,83,38,820 |
| Capital Reserve on Acquisition of Investments (A-B) (II) | (47,38,35,020) | (47,38,35,020) |
| (iii) Net Amount of Capital Reserve (I-II) | (46,62,79,827) | (46,62,79,827) |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

26 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2021 were as follows :

| Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair Value |
|-------------------------------|-----------------------|----------|-----------------------|-----------------------|-----------------------|
| Financial assets: | | | | | |
| 4 | 5,40,31,91,365 | — | — | 5,40,31,91,365 | 5,40,31,91,365 |
| 7 | — | — | 2,56,303 | 2,56,303 | 2,56,303 |
| 5 | — | — | 47,56,49,007 | 47,56,49,007 | 47,56,49,007 |
| 8 | — | — | 72,01,050 | 72,01,050 | 72,01,050 |
| | 5,40,31,91,365 | — | 48,31,06,360 | 5,88,62,97,725 | 5,88,62,97,725 |
| Financial liabilities: | | | | | |
| 13 | — | — | 4,02,29,38,893 | 4,02,29,38,893 | 4,02,29,38,893 |
| 14 | — | — | 83,67,985 | 83,67,985 | 83,67,985 |
| 15 | — | — | 5,91,41,168 | 5,91,41,168 | 5,91,41,168 |
| | — | — | 4,09,04,48,046 | 4,09,04,48,046 | 4,09,04,48,046 |

The carrying value and fair value of financial instruments by categories as at 31st March 2020 were as follows :

| Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair Value |
|-------------------------------|-----------------------|----------|-----------------------|-----------------------|-----------------------|
| Financial assets: | | | | | |
| 4 | 5,38,48,58,291 | — | — | 5,38,48,58,291 | 5,38,48,58,291 |
| 7 | — | — | 11,625 | 11,625 | 11,625 |
| 5 | — | — | 59,86,04,345 | 59,86,04,345 | 59,86,04,345 |
| 8 | — | — | 12,97,250 | 12,97,250 | 12,97,250 |
| | 5,38,48,58,291 | — | 5,99,91,13,220 | 5,98,47,71,511 | 5,98,47,71,511 |
| Financial liabilities: | | | | | |
| 13 | — | — | 3,87,39,93,724 | 3,87,39,93,724 | 3,87,39,93,724 |
| 14 | — | — | 1,30,00,795 | 1,30,00,795 | 1,30,00,795 |
| 15 | — | — | 12,83,14,312 | 12,83,14,312 | 12,83,14,312 |
| | — | — | 4,01,53,08,831 | 4,01,53,08,831 | 4,01,53,08,831 |

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable.
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- ii. **Fair value hierarchy**
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
Level 1: Quoted prices (unadjusted) in active markets for financial instruments.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.
Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)
- iii. **Measurement of fair value of financial instruments**
The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

27 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement |
|-----------------------------|--|-----------------------------|
| Credit risk | Cash and cash equivalent, trade receivables, financial assets measured at amortized cost | Ageing analysis |
| Liquidity risk | Borrowings and other financial liabilities | Rolling cash flow forecasts |
| Market risk – Interest rate | Long-term borrowings at variable rates | Sensitivity analysis |

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

27 Financial risk management (Contd...)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| As at 31 March 2021 | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|-----------------------------|-----------------------|---------------------|-----------------------|-----------------------|
| Non-derivatives | | | | |
| Borrowings | 1,59,12,84,541 | — | 1,67,70,03,000 | 3,26,82,87,541 |
| Future interest payments | 77,77,79,130 | 60,37,21,080 | 15,09,30,270 | 1,53,24,30,480 |
| Trade Payables | 83,67,985 | — | — | 83,67,985 |
| Other financial liabilities | 1,08,01,813 | 2,17,02,649 | 35,08,928 | 3,60,13,390 |
| Total | 2,38,82,33,469 | 62,54,23,729 | 1,83,14,42,198 | 4,84,50,99,396 |
| As at 31 March 2020 | | | | |
| Non-derivatives | | | | |
| Borrowings | 1,59,32,69,642 | — | 1,67,70,03,000 | 3,27,02,72,642 |
| Future interest payments | 68,26,09,098 | 60,37,21,080 | 30,18,60,540 | 1,58,81,90,718 |
| Trade payables | 1,30,00,795 | — | — | 1,30,00,795 |
| Other financial liabilities | 1,34,12,905 | 2,96,30,282 | 63,83,109 | 4,94,26,296 |
| Total | 2,30,22,92,440 | 63,33,51,362 | 1,98,52,46,649 | 4,92,08,90,451 |

c. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

| | As at 31 March 2021 | As at 31 March 2020 |
|-------------------------|------------------------|------------------------|
| Fixed rate borrowing | 2,21,21,73,984 | 2,65,70,03,000 |
| Interest free borrowing | 1,05,61,13,557 | 61,32,69,642 |
| Total borrowings | 3,26,82,87,541 | 3,27,02,72,642 |

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Interest rates – increase by 50 basis points (50 bps) | (1,10,60,870) | (1,32,85,015) |
| Interest rates – decrease by 50 basis points (50 bps) | 1,10,60,870 | 1,32,85,015 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

28 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Long term borrowings (including current maturities) | 2,45,47,82,130 | 2,35,96,12,098 |
| Less: Cash and cash equivalents | (72,01,050) | (12,97,250) |
| Net debt | 2,44,75,81,080 | 2,35,83,14,848 |
| Total equity | 1,80,17,85,745 | 1,97,85,10,244 |
| Gearing ratio | 1.36 | 1.19 |

29 Contingent liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Disputed income tax dues | — | 8,92,926 |
| Pledge of equity shares held in jointly controlled entities for loans taken by them | | |
| Sai Maatarini Tollways Limited | 18,16,12,83,949 | 19,15,61,37,234 |
| Indore Dewas Tollways Limited | 5,93,05,29,983 | 5,88,93,79,122 |
| Gayatri Jhansi Roadways Limited | 79,89,95,636 | 92,28,58,237 |
| Gayatri Lalitpur Roadways Limited | 58,43,30,116 | 67,98,71,775 |
| HKR Roadways Limited | 7,78,60,84,718 | 7,34,53,82,037 |
| Corporate guarantee given to lenders of | | |
| Sai Maatarini Tollways Limited | 15,31,56,00,000 | 15,31,56,00,000 |
| Indore Dewas Tollways Limited | 6,26,13,00,000 | 6,26,13,00,000 |

The Company has extended certain corporate guarantees to the lenders of the group entities in accordance with the contractual terms entered into with them. The management, on the basis of assessment of the nature of business activities carried on, is of the view that the provisions of Section 186 of the Act is not applicable to the Company as it does get classified as a Company carrying on "Infrastructural Projects" as defined in Schedule VI to the Act.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

30 Related party disclosures

a) Name of related parties and nature of relationship

| Name of the related party | Nature of relationship |
|---|--|
| Sai Maatarini Tollways Limited | Wholly owned Subsidiaries |
| Indore Dewas Tollways Limited | |
| Balaji Highways Holding Private Limited | Subsidiary |
| Gayatri Jhansi Roadways Limited | Jointly controlled entities |
| Gayatri Lalitpur Roadways Limited | |
| Hyderabad Expressways Limited | |
| Cyberabad Expressways Limited | |
| HKR Roadways Limited | |
| Gayatri Projects Limited | Significant holder of Shares |
| T. Indra Subbarami Reddy | |
| T.V. Sandeep Kumar Reddy | |
| T. Subbarami Reddy | Relative of Significant holder of Shares |
| T. Sarita Reddy | |
| K.G.Naidu, Chief Executive Officer | Key Management Personnel ("KMP") |
| P.K.Sahoo, Chief Financial Officer | |
| P.Rajkumar, Company Secretary | |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

30 Related party disclosures (Continued..)

b) Transactions with related parties

| | For the Year Ended 31 March 2021 | For the Year Ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Gayatri Jhansi Roadways Limited | | |
| Financial guarantee income | 10,04,966 | 13,25,583 |
| Gayatri Lalitpur Roadways Limited | | |
| Financial guarantee income | 7,85,240 | 10,27,492 |
| Intercorporated Deposit received | — | 2,85,60,000 |
| Cyberabad Expressways Limited | | |
| Interest income | 3,29,03,621 | 3,12,76,985 |
| Deputation Income | 79,20,000 | 72,00,000 |
| Loans given/ (recovered) | (10,57,90,099) | — |
| Hyderabad Expressways Limited | | |
| Interest income | 4,56,68,965 | 3,93,69,798 |
| Operations & Maintenance Income | 3,35,70,644 | 3,19,53,020 |
| Deputation Income | 79,20,000 | 72,00,000 |
| Loans given/ (recovered) | (9,24,93,797) | — |
| Indore Dewas Tollways Limited | | |
| Financial guarantee income | 1,16,22,699 | 1,39,02,262 |
| HKR Roadways Limited | | |
| Loans given/ (recovered) | — | (35,00,000) |
| Sai Maatarini Tollways Limited | | |
| Loans given/ (recovered) | 18,66,340 | 25,33,850 |
| Gayatri Projects Limited | | |
| Loans taken/ (repaid) | 44,28,43,915 | 13,22,00,000 |

c) Balances receivable/(payable)

| | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------|------------------------|------------------------|
| Gayatri Jhansi Roadways Limited | (18,63,088) | (28,68,054) |
| Gayatri Lalitpur Roadways Limited | (9,58,32,909) | (9,66,18,149) |
| Hyderabad Expressways Limited | 19,38,56,303 | 28,63,50,100 |
| Indore Dewas Tollways Limited | (3,26,03,921) | (4,42,26,620) |
| HKR Roadways Limited | 1,74,69,823 | 1,74,69,823 |
| Cyberabad Expressways Limited | 25,87,34,530 | 36,45,24,629 |
| Balaji Highways Holding Pvt. Ltd | 10,69,164 | 10,69,164 |
| Sai Maatarini Tollways Limited | 47,75,490 | 29,09,150 |
| Gayatri Projects Limited | (2,47,30,78,679) | (2,03,02,34,764) |

d) Guarantees and pledges outstanding

Refer Note 29 for financial guarantees and pledges outstanding.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

31 Interest in Subsidiaries, Associates and Jointly controlled entities

The Company's interest in jointly controlled entities is as below:

| Name of entity | Interest in Entities as on 31 March 2021 | Interest in Entities as on 31 March 2020 |
|---|---|---|
| Subsidiaries | | |
| Sai Maatarini Tollways Limited | 100% | 100% |
| Indore Dewas Tollways Limited | 100% | 100% |
| Balaji Highways Holding Private Limited | 100% | 49% |
| Jointly Controlled Entities | | |
| Gayatri Jhansi Roadways Limited | 51% | 51% |
| Gayatri Lalitpur Roadways Limited | 51% | 51% |
| Cyberabad Expressways Limited | 20% | 20% |
| Hyderabad Expressways Limited | 50% | 50% |
| HKR Roadways Limited | 50% | 50% |

The Company's interest in Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited and HKR Roadways Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entities based on its Ind AS financial statements is set out below:

A) Gayatri Jhansi Roadways Limited:

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,03,03,02,735 | 1,00,70,63,951 |
| Non-current assets | 1,79,74,56,793 | 1,85,08,18,620 |
| Current liabilities, including trade payables | (35,84,57,430) | (35,25,03,150) |
| Non-current liabilities including borrowings | (1,77,24,91,223) | (1,95,71,68,116) |
| Net assets | 69,68,10,875 | 54,82,11,305 |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 49,47,31,739 | 51,21,08,144 |
| Operation & Maintenance Expenses | 14,30,05,878 | 12,70,14,934 |
| Depreciation & amortization | 23,865 | 16,882 |
| Finance cost | 16,19,80,803 | 18,56,62,222 |
| Employee benefit | 1,79,51,391 | 1,60,90,712 |
| Other expense | 2,31,70,232 | 2,30,26,777 |
| Profit/(Loss) before tax | 14,85,99,570 | 16,02,96,617 |
| Income tax expense | — | — |
| Profit / (Loss) for the year | 14,85,99,570 | 16,02,96,617 |
| Total comprehensive income/(loss) for the year | 14,85,99,570 | 16,02,96,617 |

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 29. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

31 Interest in Subsidiaries, Associates and Jointly controlled entities(Contd..)

B) Gayatri Lalitpur Roadways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 98,34,45,071 | 87,23,25,713 |
| Non-current assets | 1,30,41,91,296 | 1,42,51,17,083 |
| Current liabilities, including trade payables | (21,47,35,593) | (22,00,22,993) |
| Non-current liabilities including borrowings | (1,39,55,05,416) | (1,51,57,48,756) |
| Net assets | 67,73,95,358 | 56,16,71,047 |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 40,11,46,150 | 41,32,48,239 |
| Operation & Maintenance Expenses | 13,05,73,123 | 11,85,27,534 |
| Depreciation & amortization | 11,939 | 3,503 |
| Finance cost | 11,97,50,960 | 14,31,46,451 |
| Employee benefit | 1,34,18,478 | 1,15,38,667 |
| Other expense | 2,16,67,339 | 2,35,31,617 |
| Profit / (Loss) before tax | 11,57,24,311 | 11,65,00,467 |
| Income tax expense | — | — |
| Profit/(loss) for the year | 11,57,24,311 | 11,65,00,467 |
| Total comprehensive income/(loss) for the year | 11,57,24,311 | 11,65,00,467 |

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 29. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

C) Cyberabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,00,17,38,762 | 87,62,64,839 |
| Non-current assets | 49,58,05,241 | 1,10,80,87,304 |
| Current liabilities, including trade payables | (1,45,40,10,175) | (2,07,02,53,770) |
| Non-current liabilities including borrowings | (71,04,34,475) | (56,94,29,767) |
| Net assets | (66,69,00,647) | (65,53,31,394) |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 31,60,78,719 | 37,63,75,190 |
| Operation & Maintenance Expenses | 11,87,29,579 | 17,44,75,841 |
| Depreciation & amortization | 3,17,644 | 3,29,187 |
| Finance cost | 19,04,82,249 | 25,53,58,957 |
| Employee benefit | 95,85,600 | 89,18,526 |
| Other expense | 85,32,900 | 1,52,26,770 |
| Profit / (Loss) before tax | (1,15,69,253) | (7,79,34,091) |
| Income tax expense | — | 15,22,843 |
| Profit/(Loss) for the year | (1,15,69,253) | (7,94,56,934) |
| Total comprehensive loss for the year | (1,15,69,253) | (7,94,56,934) |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

31 Interest in Subsidiaries, Associates and Jointly controlled entities(Contd..)

The Company had no contingent liabilities or capital commitments relating to its interest in Cyberabad Expressways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 29. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

D) Hyderabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,31,05,64,695 | 1,20,29,10,559 |
| Non-current assets | 18,13,83,768 | 69,36,37,991 |
| Current liabilities, including trade payables | (3,17,92,090) | (35,83,86,943) |
| Non-current liabilities including borrowings | (74,01,36,203) | 83,10,79,428) |
| Net assets | 72,00,20,170 | 70,70,82,179 |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 27,06,40,193 | 31,30,06,560 |
| Operation & Maintenance Expenses | 13,05,90,368 | 17,51,12,899 |
| Depreciation & amortization | 4,11,218 | 2,67,682 |
| Finance cost | 10,26,47,527 | 14,75,25,505 |
| Employee benefit | 1,30,90,019 | 1,06,18,719 |
| Other expense | 92,25,950 | 1,44,70,454 |
| Profit/(Loss) before tax | 1,46,75,111 | (3,49,88,699) |
| Income tax expense | (17,37,120) | — |
| Profit/(Loss) for the year | 1,29,37,991 | (3,49,88,699) |
| Total comprehensive income / (Loss) for the year | 1,29,37,991 | (3,49,88,699) |

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 29. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

E) HKR Roadways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|-------------------------|-------------------------|
| Current assets including trade receivables | 5,15,87,762 | 47,35,84,753 |
| Non-current assets | 13,58,70,99,160 | 13,58,97,32,900 |
| Current liabilities, including trade payables | (5,97,10,45,847) | (3,72,68,26,083) |
| Non-current liabilities including borrowings | (10,53,35,93,733) | (11,71,56,07,224) |
| Net assets | (2,86,59,52,658) | (1,37,91,15,654) |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 1,57,47,45,438 | 1,87,44,72,814 |
| Depreciation & amortization | 42,74,22,978 | 47,90,79,009 |
| Finance cost | 1,77,82,05,772 | 1,63,27,14,095 |
| Employee benefit | 2,26,24,970 | 2,53,03,540 |
| Other expense | 83,33,28,723 | 39,13,84,160 |
| Loss for the year | (1,48,68,37,005) | (65,40,07,990) |
| Total comprehensive income for the year | (1,48,68,37,005) | (65,40,07,990) |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

31. Interest in Subsidiaries, Associates and Jointly controlled entities(Contd..)

The Company had no contingent liabilities or capital commitments relating to its interest in HKR Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 29. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

32 The Company's principal objectives are to provide infrastructural facilities either on its own or through incorporating and investing in special purpose vehicles. Consequently, the Company has significant investments in its jointly controlled companies and other entities. On the basis of assessment of the nature of business of the Company, duly supported by an independent opinion from an expert, the management is of the view that the Company is not a Non banking financial institution under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.

33 Going Concern

The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceed its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in foreseeable future.

34 Segment reporting

The Company primarily engaged in the business of "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads", which is as per Indian Accounting Standard - 108 on "Operating Segment" is considered to be the only reportable business segment. The company is operating in India which is considered as a single geographical segment.

35 Impact of Covid - 19

The entire world is collectively entangled in fighting the Coronavirus/ COVID-19 pandemic, businesses are facing several financial and physical hardships due to the mandatory government lockdowns. With there being no visibility regarding the duration of the lockdown coupled with the fact that no known cure or vaccine is available to fight the pandemic, everyone is left with great deal of uncertainty and anticipation over the 'new normal'.

Due to COVID-19 pandemic, there is no impact on operational revenue in the FY 2020-21 and FY 2019-20. However due to shortfall of toll revenues of SPVs, there might be impact on returns from Investments in SPVs.

36 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

This is the Summary of Significant Accounting Policies and Other Explanatory Information referred to in our report of even date

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

Satya Sai Babu Gurram
Proprietor
M.No.:208341

Place :Hyderabad
Date : 9th June 2021

For and on behalf of Board of directors of
Gayatri Highways Limited

M.V.Narasimha Rao
Director
DIN:06761474

K.G.Naidu
Chief Executive Officer

G.Jagannadha Rao
Director
DIN:01059819

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GAYATRI HIGHWAYS LIMITED

Report on the audit of the Consolidated Ind AS financial statements

Opinion

We have audited the Consolidated Ind AS financial statements of **Gayatri Highways Limited** ("the Holding Company") and its subsidiaries and joint ventures (the Company and its subsidiaries and joint ventures together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021 and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Opinion section of our report, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

"Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | Auditor's Response |
|---|---|
| <p>1. As at 31.03.2021, the Company has total investments of 86.43 Cr which are classified as financial assets in the financial statements. It is in the form of equity, optionally convertible debentures and instruments entirely equity in nature of Jointly controlled entities of the Company,</p> <p>The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company.</p> | <p>1. In respect of the impairment indicator assessment for the investments in subsidiaries/ joint ventures, our audit procedures included and were not limited to the following:-</p> <ul style="list-style-type: none"> • Obtained and read the financial statements of subsidiaries/joint ventures to identify if any disclosure is made for impairment of assets in its standalone financial statements. • Obtained the impairment indicator assessment performed by the management considering internal/external sources of information. |

As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as subsidiaries, associates and joint ventures. Accordingly, in assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum, the external and internal sources of information, any other indications or evidences from internal reporting that indicates that the assets may be impaired.

This assessment involves significant judgment especially in relation to determination of expected future economic benefits.

Accordingly the evaluation of impairment of investments in subsidiaries/joint ventures was determined to be a key audit matter.

2. The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceed its current assets.

The Group and parent Company financial statements were prepared on a going concern basis except one of the subsidiary "Sai Maatarini Tollways Limited", where the financial statements are prepared on non-going concern basis.

- We have obtained the management's understanding with regard to impairment of the investments made in loss making subsidiary companies/joint ventures.
- We have obtained the company's management opinion in estimating the realizable value of the investments made by the subsidiary companies/joint ventures.

2. We have evaluated the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the years ahead.

Emphasis of Matter

As stated in note no. 45, the company has no impact of Covid-19 on the performance of the company during the year. Further there might be impact on returns from Investments in SPVs as the Toll Revenue is reduced and annuities might get slightly delayed. Our opinion is not modified in respect of this matter.

As stated in note no. 46, the wholly owned subsidiary "Sai Maatarini Tollways Limited" which is a SPV for Road project of NHAI on DBFOT pattern, during the period of audit, terminated the project and handed over to NHAI and the financial statements are prepared on non-going concern basis. For the purpose of consolidation, the same is considered and accounted as per Ind AS 105 – Discontinued operations. Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of one subsidiary and two joint ventures, in which the Holding Company's share of loss aggregated to ₹234.31/- Crores for the year ended 31st March 2021, as considered in the consolidated Ind AS financial statements. In the Group, the financial statements of two subsidiaries and three joint ventures, in which the Holding Company's share of loss aggregated to ₹92.28/- Crores have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

In the Group, the financial statements of one subsidiaries and two joint ventures, in which the Holding Company's share of loss aggregated to ₹234.31/- Crores has not been audited by other auditors. The financial information of these subsidiaries and joint ventures is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the unaudited financial information which is certified by the Management. However, we have done the limited review of the financial information of these subsidiaries and joint ventures which is certified by the Management.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **G.S.SAI BABU & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM
Proprietor
Membership No: 208341

Place: Hyderabad
Date : 9th June 2021
UDIN : 21208341AAAAAR2874

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gayatri Highways Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance



regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiaries and joint ventures has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G.S.SAI BABU & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM
Proprietor
Membership No: 208341

Place: Hyderabad
Date : 9th June 2021
UDIN: 21208341AAAAAR2874

Consolidated Balance Sheet as at 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------|-------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 19,88,480 | 26,32,703 |
| Investment Property | 6 | 3,08,910 | 3,08,910 |
| Intangible Assets | | | |
| - Goodwill on Consolidation | 34 | 1,14,54,24,192 | 1,14,49,14,192 |
| - under SCA | 7 | 7,76,58,78,458 | 7,97,16,15,496 |
| - Intangible assets under development | 7 | — | — |
| Financial assets | | | |
| - Investments | 8 | 86,43,09,202 | 1,02,06,55,379 |
| - Loans | 9 | 19,36,00,000 | 28,54,31,035 |
| Other Non-Current Assets | 10 | 7,78,197 | 7,78,197 |
| Tax assets, net | 11 | 13,24,69,935 | 2,04,32,520 |
| | | 10,10,47,57,374 | 10,44,67,68,432 |
| Current assets | | | |
| Financial assets | | | |
| - Trade receivables | 12 | 13,44,536 | 11,02,216 |
| - Cash and cash equivalents | 13 | 3,37,32,988 | 1,89,91,183 |
| - Loans | 9 | 27,62,04,353 | 30,91,94,996 |
| - Other financial assets | 14 | 14,24,04,27,005 | 17,82,55,07,642 |
| Other Current Assets | 15 | 2,35,57,321 | 34,67,218 |
| | | 14,57,52,66,203 | 18,15,82,63,255 |
| Assets Classified as held for sale | 5 | 2,75,139 | 2,75,139 |
| Total assets | | 24,68,02,98,716 | 28,60,53,06,826 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 16 | 47,93,03,800 | 47,93,03,800 |
| Instrument entirely Equity in Nature | 17 | 1,78,87,50,889 | 1,78,87,50,889 |
| Other equity | 18 | (10,80,69,60,532) | (7,35,27,46,688) |
| Total Equity | | (8,53,89,05,843) | (5,08,46,91,999) |
| Non-current Liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 19 | 7,50,40,04,821 | 7,67,97,97,130 |
| Other Non-Current Liabilities | 20 | 4,75,00,13,263 | 4,31,11,77,543 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| - Short-term borrowings | 19 | 1,59,12,84,541 | 1,59,32,69,642 |
| - Trade payables | 21 | 4,75,31,355 | 11,38,00,198 |
| - Other financial liabilities | 22 | 19,05,18,50,708 | 19,73,05,30,998 |
| Other current liabilities | 23 | 27,45,19,871 | 26,14,23,314 |
| Total liabilities | | 33,21,92,04,559 | 33,68,99,98,825 |
| Total equity and liabilities | | 24,68,02,98,716 | 28,60,53,06,826 |

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary



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Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | Notes | For the year ended | |
|--|-------|-------------------------|------------------|
| | | 31 March 2021 | 31 March 2020 |
| Income | | | |
| Revenue from Operations | 24 | 81,39,58,717 | 69,50,89,298 |
| Other income | 25 | 9,50,53,033 | 7,58,23,452 |
| Total income | | 90,90,11,750 | 77,09,12,750 |
| Expenses | | | |
| Operations & Maintenance Expenses | 26 | 11,55,32,305 | 14,09,46,056 |
| Employee benefits expense | 27 | 1,74,96,915 | 1,98,60,321 |
| Finance costs | 28 | 1,35,13,45,994 | 1,31,23,35,987 |
| Depreciation & Amortisation expenses | 29 | 20,63,81,261 | 17,58,94,042 |
| Other expenses | 30 | 3,41,24,168 | 3,62,10,055 |
| Total expense | | 1,72,48,80,643 | 1,68,52,46,461 |
| Loss before tax from continuing operations | | (81,58,68,893) | (91,43,33,711) |
| Current tax | | — | — |
| Loss for the year from continuing operations (A) | | (81,58,68,893) | (91,43,33,711) |
| Loss before tax from discontinued operations | 31 | (2,47,61,18,406) | (1,67,68,46,610) |
| Current tax | | — | — |
| Loss for the year from discontinued operations (B) | | (2,47,61,18,406) | (1,67,68,46,610) |
| Total loss for the year (C=A+B) | | (3,29,19,87,299) | (2,59,11,80,321) |
| Other comprehensive income from continuing operations | | | |
| Remeasurements of the defined benefit plans | | 2,758 | 1,77,644 |
| Add: Share of profits/ (losses) in the Jointly controlled entities | | (16,22,29,301) | (22,15,76,293) |
| Total comprehensive loss from continuing operations (D) | | (97,80,95,436) | (1,13,57,32,360) |
| Total comprehensive loss from discontinued operations (E) | | (2,47,61,18,406) | (1,67,68,46,610) |
| Total comprehensive loss for the year (F=D+E) | | (3,45,42,13,842) | (2,81,25,78,970) |
| Earnings per equity share (EPES) | 33 | | |
| EPES from Continuing operations | | | |
| Basic | | (4.08) | (4.74) |
| Diluted | | (4.08) | (4.74) |
| EPES from discontinued operations | | | |
| Basic | | (10.33) | (7.00) |
| Diluted | | (10.33) | (7.00) |
| EPES from Continuing and discontinued operations | | | |
| Basic | | (14.41) | (11.74) |
| Diluted | | (14.41) | (11.74) |

The accompanying notes form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(All amounts in ₹ unless otherwise stated)

| | For the year ended | |
|---|-------------------------|--------------------------|
| | 31 March 2021 | 31 March 2020 |
| Cash flows from operating activities | | |
| Loss before tax from continuing and discontinued operations | (3,29,19,87,299) | (2,59,11,80,321) |
| Adjustments for: | | |
| Depreciation expense | 20,63,81,261 | 17,58,94,042 |
| Interest income and financial guarantee income | (8,03,62,792) | (7,29,99,859) |
| Profit/ (Loss) on Consolidation | (16,22,29,301) | (22,15,76,293) |
| Interest expense | 3,66,79,22,523 | 3,39,30,42,923 |
| Operating profit before working capital changes | 33,97,24,392 | 68,31,80,492 |
| Changes in working capital: | | |
| (Increase)/decrease in trade payables | (6,62,68,843) | 3,90,24,294 |
| (Increase)/decrease in other non-current liabilities | 43,88,35,720 | 39,90,15,948 |
| (Increase)/decrease in other current liabilities | 29,87,70,008 | 15,69,88,20,436 |
| Increase/(decrease) in other non-current assets | — | 10,11,02,002 |
| Increase/(decrease) in other current assets | 3,56,49,90,534 | 87,42,671 |
| Increase/(decrease) in trade receivables | (2,42,320) | 5,89,40,056 |
| Increase/(decrease) in loans and advances | 20,51,84,470 | 1,81,30,596 |
| Cash generated in operating activities | 4,78,09,93,961 | 17,00,69,56,494 |
| Less: Income taxes refund received / (paid) | (11,20,37,415) | 11,34,59,706 |
| Net cash generated from operating activities | 4,66,89,56,546 | 17,12,04,16,200 |
| Cash flows from investing activities | | |
| Purchase/ Development of Fixed Assets | (10,20,901) | (14,13,64,526) |
| Goodwill recognised on Consolidation | (5,10,000) | — |
| Change in Value of Investments | 15,63,46,177 | 21,14,09,825 |
| Net cash generated from investing activities | 15,48,15,276 | 7,00,45,299 |
| Cash flows from financing activities | | |
| Interest paid | (4,63,12,52,606) | (2,14,95,86,941) |
| Proceeds from short-term borrowings, net | 44,28,43,915 | 45,01,60,000 |
| Increase in cumulative liability on preference shares | 15,09,30,270 | 15,09,30,270 |
| Repayment of term loan | (44,48,29,016) | (27,00,00,000) |
| Proceeds from long-term borrowings | (32,67,22,579) | (15,41,27,34,669) |
| Net cash used in financing activities | (4,80,90,30,016) | (17,23,12,31,340) |
| Net increase/(decrease) in cash and cash equivalents | 1,47,41,806 | (4,07,69,840) |
| Cash and cash equivalents at the beginning of the year | 1,89,91,183 | 5,97,61,023 |
| Cash and cash equivalents at the end of the year | 3,37,32,989 | 1,89,91,183 |
| Cash and cash equivalents comprises of: | | |
| Cash on hand | 3,92,356 | 2,21,263 |
| Balances with banks in current accounts | 3,33,40,633 | 1,87,69,920 |
| | 3,37,32,989 | 1,89,91,183 |

This is the Cash Flow Statement referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

**Consolidated Statement of Changes in Equity for the year ended 31 March 2021**

(All amounts in ₹ unless otherwise stated)

| | Number | Amount |
|--|------------------------|---------------------------|
| (a) Share Capital | | |
| (i) Equity Share Capital | | |
| Equity shares of ₹ 2 each issued, subscribed and fully paid | | |
| At 31 March 2020 (₹2 each) | 23,96,51,900 | 47,93,03,800 |
| At 31 March 2021 (₹ 2 each) | 23,96,51,900 | 47,93,03,800 |
| (b) Instruments entirely equity in nature | | |
| | 31st March 2021 | 31st March 2020 |
| Opening Balance | 1,78,87,50,889 | 1,78,87,50,889 |
| Changes during the year | — | — |
| Closing Balance | 1,78,87,50,889 | 1,78,87,50,889 |
| (c) Other equity | | |
| | Capital Reserve | Retained earnings |
| | | Total other equity |
| Balance as of 1st April 2019 | 46,62,79,827 | (5,00,64,47,546) |
| Loss for the year | — | (2,81,25,78,970) |
| Balance as of 31st March 2020 | 46,62,79,827 | (7,81,90,26,516) |
| Balance as of 1st April 2020 | 46,62,79,827 | (7,81,90,26,516) |
| Loss for the year | — | (3,45,42,13,842) |
| Balance as of 31st March 2021 | 46,62,79,827 | (11,27,32,40,358) |

This is the Statement of Changes in Equity referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G.Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date : 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

1. Corporate information

Gayatri Highways Limited - GHIL (“the Company”) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

2. Investment in associate and Joint Ventures

Investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**3. List of Entities consolidated**

The following entities, incorporated in India, have been considered for the purpose of preparation of consolidated financial statement:

| Name of Subsidiaries | Interest in Subsidiary as on | |
|---|------------------------------|-------------|
| | 31-Mar-2021 | 31-Mar-2020 |
| Sai Maatarini Tollways Limited | 100% | 100% |
| Indore Dewas Tollways Limited | 100% | 100% |
| Balaji Highways Holding Private Limited | 99.99% | 49% |

| Name of joint controlled entities | Interest in joint control as on | |
|-----------------------------------|---------------------------------|-------------|
| | 31-Mar-2021 | 31-Mar-2020 |
| Gayatri Jhansi Roadways Limited | 51% | 51% |
| Gayatri Lalitpur Roadways Limited | 51% | 51% |
| Cyberabad Expressways Limited | 20% | 20% |
| Hyderabad Expressways Limited | 50% | 50% |
| HKR Roadways Limited | 50% | 50% |

4. Summary of significant accounting policies**a) Basis of preparation of consolidated financial statements**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Unless otherwise stated, the accounting policies applied by the Group are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities

b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses. Examples of such estimates include the provision for doubtful receivables, determination of recoverable amounts of fixed assets, deferred tax assets, employee benefits and useful lives of fixed assets.

Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

f) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

- a. 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- b. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- c. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans

Equity investments:

All equity investments in jointly controlled entities are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. the rights to receive cash flows from the asset have expired, or
- b. the Company has transferred its rights to receive cash flows from the asset, and (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on debt instruments.

B) Financial Liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and

fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

j) Fixed assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation thereon. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets represent commercial rights to collect toll fee in relation to roads projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on build, operate and transfer basis. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, obligation towards negative grant payable to concessionaires, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

k) Depreciation and amortization

Depreciation of tangible assets is provided on the basis of straight line method in accordance with Schedule II to the Companies Act, 2013.

l) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

m) Borrowings Costs

In Case of concession arrangement under financial asset model, borrowing Costs that are attributable to the acquisition and/or construction of the infrastructure are charged to The Statement of Profit and Loss in

the period in which such costs are incurred.

In Case of concession arrangement under intangible asset model, borrowing cost of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. Any income on the temporary investments of borrowings is deducted from the borrowing cost. All borrowing cost subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

n) Foreign currency transactions and derivatives

- The reporting currency of the company is the Indian Rupee.
- Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.
- At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.

5. Property, plant and equipment

| | Office equipment | Computer and related equipment | Vehicles | Plant & Machinery | Furniture & Furniture | Amount(Rs.) |
|--|------------------|--------------------------------|-----------|-------------------|-----------------------|-------------|
| Tangible Assets | | | | | | |
| Gross block | | | | | | |
| As at 1 April 2019 | 5,05,977 | 16,25,040 | 35,08,356 | 6,72,670 | 68,602 | 63,80,643 |
| Additions during the year | — | — | 7,91,386 | — | — | 7,91,386 |
| Deletions during the year | 35,200 | 1,92,560 | — | 1,12,500 | — | 3,40,260 |
| As at 31 March 2020 | 4,70,777 | 14,32,480 | 42,99,742 | 5,60,170 | 68,602 | 68,31,769 |
| Additions during the year | — | — | — | — | — | — |
| Deletions during the year | — | — | — | — | — | — |
| As at 31 March 2021 | 4,70,777 | 14,32,480 | 42,99,742 | 5,60,170 | 68,602 | 68,31,769 |
| Accumulated depreciation | | | | | | |
| As at 1 April 2019 | 4,71,778 | 11,98,473 | 15,96,228 | 37,782 | 42,706 | 33,46,967 |
| Charge for the year | 10,834 | 2,13,983 | 4,92,895 | 1,37,822 | 10,669 | 8,66,203 |
| Deletions during the year | 35,200 | 1,92,560 | — | 61,484 | — | 2,89,244 |
| Up to 31 March 2020 | 4,47,412 | 12,19,896 | 20,89,123 | 1,14,120 | 53,375 | 39,23,926 |
| Charge for the year | 8,943 | 1,57,390 | 3,56,146 | 1,11,973 | 9,772 | 6,44,223 |
| Deletions during the year | — | — | — | — | — | — |
| Up to 31 March 2021 | 4,56,355 | 13,77,286 | 24,45,269 | 2,26,093 | 63,147 | 45,68,149 |
| Assets classified as held for sale* | — | — | 2,75,139 | — | — | 2,75,139 |
| Net block | | | | | | |
| As at 31 March 2021 | 14,422 | 55,194 | 15,79,334 | 3,34,077 | 5,455 | 19,88,481 |
| As at 31 March 2020 | 23,365 | 2,12,584 | 19,35,480 | 4,46,050 | 15,227 | 26,32,706 |

* In Sai Maatarini Tollways Limited (SMTL), with view of the termination of the concession agreement as stated in note No 45 remaining assets of SMTL having a carrying amount of Rs.2.75 Lakhs was treated as non current assets held for sale.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

6. Investment Property

| | As at 31 March 2021 | As at 31 March 2020 |
|------|------------------------|------------------------|
| Land | 3,08,910 | 3,08,910 |
| | 3,08,910 | 3,08,910 |

7 Intangible assets

| | Amount (Rs.) |
|--|-----------------|
| (i) Carriageway | |
| Gross block | |
| As at 31st March 2019 | 26,43,27,46,220 |
| Additions during the year | 1,53,70,989 |
| As at 31st March 2020 | 26,44,81,17,209 |
| Additions during the year | — |
| As at 31st March 2021 | 26,44,81,17,209 |
| Accumulated depreciation | |
| Up to 31st March 2019 | 42,66,48,656 |
| Charge for the year | 31,79,69,201 |
| Up to 31st March 2020 | 74,46,17,857 |
| Charge for the year | 20,49,64,985 |
| Up to 31st March 2021 | 94,95,82,842 |
| Transfer to NHAI Receivable as on 31st March 2020 | 17,74,45,59,436 |
| Net block | |
| As at 31st March 2021 | 7,75,39,74,931 |
| As at 31st March 2020 | 7,95,89,39,916 |
| (ii) Toll Plaza Management Systems | |
| Gross block | |
| As at 31st March 2019 | 1,65,35,845 |
| Additions during the year | — |
| As at 31st March 2020 | 1,65,35,845 |
| Additions during the year | — |
| As at 31st March 2021 | 1,65,35,845 |
| Accumulated depreciation | |
| Up to 31st March 2019 | 30,88,212 |
| Charge for the year | 7,72,053 |
| Up to 31st March 2020 | 38,60,265 |
| Charge for the year | 7,72,053 |
| Up to 31st March 2021 | 46,32,318 |
| Net block | |
| As at 31st March 2021 | 1,19,03,527 |
| As at 31st March 2020 | 1,26,75,580 |
| Intangible Assets Under SCA | |
| Net block as at 31st March 2021 (i)+(ii) | 7,76,58,78,458 |
| Net block as at 31st March 2020 (i)+(ii) | 7,97,16,15,496 |
| (iii) Intangible assets under development | |
| As at 31st March 2019 | 3,11,92,433 |
| Additions/ (Deletions) during the year | 4,70,04,859 |
| Transfer to NHAI | 7,81,97,292 |
| As at 31st March 2020 | — |
| Additions/ (Deletions) during the year | 10,20,901 |
| Transfer to NHAI | 10,20,901 |
| As at 31st March 2021 | — |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

8. Investments

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Non-current investments | | |
| Unquoted | | |
| Investments carried at cost | | |
| Investments in equity instruments of Subsidiaries | | |
| 1,00,00,843 (2020: 1,00,00,843) equity shares of Rs.10 each fully paid-up in Sai Maatarini Tollways Limited | 179,40,47,807 | 179,40,47,807 |
| Less: Adjustment of Consolidation | (179,40,47,807) | (179,40,47,807) |
| a | — | — |
| 33,320 (2020: 33,320) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited. | 5,00,000 | 5,00,000 |
| Less: Adjustment of Consolidation | (5,00,000) | (5,00,000) |
| b | — | — |
| 99,995 (2020: 48,995) equity shares of ₹10 each fully paid-up in Balaji Highways Holding Private Limited. | 10,00,000 | 4,90,000 |
| Less: Adjustment of Consolidation | 10,00,000 | (4,90,000) |
| c | — | — |
| Investments in equity instruments of jointly controlled entities | | |
| 990,000 (2020: 990,000) equity shares of ₹10 each fully paid-up in Hyderabad Expressways Limited. | 15,81,36,417 | 15,81,36,417 |
| Add: Accumulated Profits/(Losses) | 2,27,51,625 | 1,62,82,630 |
| d | 18,08,88,042 | 17,44,19,047 |
| 396,000 (2020: 396,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited. | 4,22,39,111 | 4,22,39,111 |
| Add: Accumulated Profits/(Losses) | (2,93,72,219) | (2,70,58,368) |
| e | 1,28,66,892 | 1,51,80,743 |
| 21,619,994 (2020: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited. | 26,68,94,205 | 26,68,94,205 |
| Add: Accumulated Profits/(Losses) | 1,52,25,328 | (5,95,55,486) |
| f | 28,21,19,533 | 20,73,38,719 |
| 16,218,000 (2020: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited. | 20,09,45,837 | 20,09,45,837 |
| Add: Accumulated Profits/(Losses) | 10,19,88,898 | 4,37,54,740 |
| g | 30,29,34,735 | 24,47,00,577 |
| 2,320,639 (2020: 1,717,642) equity shares of ₹10 each fully paid-up in HKR Roadways Limited. | 2,32,06,390 | 2,91,16,370 |
| Add: Accumulated Profits/(Losses) | (2,32,06,390) | (2,91,16,370) |
| h | — | — |
| Investments in debentures of jointly controlled entities | | |
| 8,550,000 (2020: 8,550,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited. | 8,55,00,000 | 7,37,06,896 |
| Add: Accumulated Profits/(Losses) | — | — |
| i | 8,55,00,000 | 7,37,06,896 |
| Investments in Instruments entirely Equity in nature | | |
| -Investments in Subsidiary | 1,70,40,99,644 | 1,70,40,99,644 |
| Less : Adjustment of Consolidation | (1,70,40,99,644) | (1,70,40,99,644) |
| j | — | — |
| - Investments in Jointly controlled entity | 1,12,67,88,554 | 1,12,67,88,554 |
| Add : Accumulated Profits / (Losses) | (1,12,67,88,554) | (82,14,79,157) |
| k | — | 30,53,09,397 |
| Total non-current investments (l=a+b+c+d+e+f+g+h+i+j+k) | 86,43,09,202 | 1,02,06,55,379 |
| Less: Investments held for sale (m) | — | — |
| Net value of non-current investments (l-m) | 86,43,09,202 | 1,02,06,55,379 |
| Aggregate amount of unquoted investments | 86,43,09,202 | 1,02,06,55,379 |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

9 Loans

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Non-current | | |
| (Unsecured, considered good) | | |
| - Loans to jointly controlled entities | 19,36,00,000 | 28,54,31,035 |
| | <u>19,36,00,000</u> | <u>28,54,31,035</u> |
| Current | | |
| (Unsecured, considered good) | | |
| - Loans to subsidiaries | — | — |
| - Loans to jointly controlled entities | 27,62,04,353 | 30,91,94,996 |
| | <u>27,62,04,353</u> | <u>30,91,94,996</u> |

10 Other Non-Current Assets

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Capital Advance | | |
| Security Deposits | 5,56,197 | 5,56,197 |
| Rent Advance | 22,000 | 22,000 |
| Advance for Toll Collection Management | 2,00,000 | 2,00,000 |
| | <u>7,78,197</u> | <u>7,78,197</u> |

11 Tax Assets, net

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|----------------|------------------------|------------------------|
| TDS Receivable | 13,24,69,935 | 2,04,32,520 |
| | <u>13,24,69,935</u> | <u>2,04,32,520</u> |

12 Trade Receivables

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------|------------------------|------------------------|
| (Unsecured, considered good) | | |
| - related parties | 2,56,303 | 11,625 |
| - others | 10,88,233 | 10,90,591 |
| | <u>13,44,536</u> | <u>11,02,216</u> |

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally receivable on presentation of invoice.

13 Cash and cash equivalents

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------|------------------------|------------------------|
| Balances with banks | | |
| - on current accounts | 3,33,40,633 | 1,87,69,920 |
| Cash on hand | 1,37,709 | 1,65,695 |
| Cash-Toll Collections | 2,54,647 | 55,568 |
| | <u>3,37,32,989</u> | <u>1,89,91,183</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

14 Other Financial Assets

| Particulars | As at | |
|--|------------------------|------------------------|
| | 31 March 2021 | 31 March 2020 |
| Retention money-NHAI | 27,50,914 | 27,50,914 |
| Receivable from NHAI towards Termination of contract | 14,23,76,76,091 | 17,82,27,56,728 |
| | <u>14,24,04,27,005</u> | <u>17,82,55,07,642</u> |

15 Other Current Assets

| Particulars | As at | |
|---|--------------------|------------------|
| | 31 March 2021 | 31 March 2020 |
| Mobilization advance - COS & Utility shifting paid to GPL | 9,93,584 | 9,93,584 |
| Hybrid ETC - NHAI Receipts A/c./ | 1,52,18,348 | — |
| Prepaid expenses | 63,19,658 | 16,93,244 |
| Other advances | 10,25,731 | 7,80,390 |
| | <u>2,35,57,321</u> | <u>34,67,218</u> |

16 Share capital

| Particulars | As at | | As at | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 March 2021 | | 31 March 2020 | |
| | Number | Amount | Number | Amount |
| Authorized Equity Share Capital | | | | |
| Equity shares of ₹ 2 each | 25,00,00,000 | 50,00,00,000 | 25,00,00,000 | 50,00,00,000 |
| | <u>25,00,00,000</u> | <u>50,00,00,000</u> | <u>25,00,00,000</u> | <u>50,00,00,000</u> |
| Issued, subscribed and fully paid-up Equity Share Capital | | | | |
| Equity shares of ₹ 2 each | 23,96,51,900 | 47,93,03,800 | 23,96,51,900 | 47,93,03,800 |
| | <u>23,96,51,900</u> | <u>47,93,03,800</u> | <u>23,96,51,900</u> | <u>47,93,03,800</u> |

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

| Particulars | As at | | As at | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 March 2021 | | 31 March 2020 | |
| | Number | Amount | Number | Amount |
| At the beginning of the year | 23,96,51,900 | 47,93,03,800 | 23,96,51,900 | 47,93,03,800 |
| Issued during the year | — | — | — | — |
| Balance at the end of the year | <u>23,96,51,900</u> | <u>47,93,03,800</u> | <u>23,96,51,900</u> | <u>47,93,03,800</u> |

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

16 Equity Share capital (Continued...)**(c) Details of shareholders holding more than 5% shares in the Company**

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|----------------------------------|------------------------|--------------|------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of ₹ 2 each | | | | |
| Gayatri Projects Limited | 6,24,00,000 | 26.04% | 6,24,00,000 | 26.04% |
| Sri T.V. Sandeep Kumar Reddy | 2,70,19,810 | 11.27% | 2,70,19,810 | 11.27% |
| Smt T. Indira Subbarami Reddy | 5,71,29,500 | 23.84% | 5,71,29,500 | 23.84% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17 Instrument entirely equity in nature

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Balance as per last audited financial statements | 1,78,87,50,889 | 1,78,87,50,889 |
| Add: Changes during the year | — | — |
| Balance at the end of the year | 1,78,87,50,889 | 1,78,87,50,889 |

18 Other equity

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|--------------------------|-------------------------|
| Capital Reserve | | |
| Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (Note No. 34) | 46,62,79,827 | 46,62,79,827 |
| Retained earnings | | |
| Balance as per last audited financial statements | (7,81,90,26,516) | (5,00,64,47,546) |
| Add: Loss for the year | (3,45,42,13,842) | (2,81,25,78,970) |
| Balance at the end of the year | (11,27,32,40,358) | (7,81,90,26,516) |
| Total other equity | <u>(10,80,69,60,531)</u> | <u>(7,35,27,46,689)</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| (a) Non-current borrowings | | |
| Term Loans | | |
| Secured | | |
| From Banks | 3,50,93,45,139 | 3,44,71,51,029 |
| From Financial Institutions | 97,85,25,000 | 99,22,75,000 |
| Sub Debt from IIFCL | — | — |
| Funded Interest on Term Loans | | |
| - from Banks - FITL | — | — |
| - from Financial Institutions - FITL | 91,90,65,937 | 98,33,92,626 |
| Less: Current maturities of long-term borrowings | 24,54,62,393 | 27,57,12,393 |
| Less : Unamortised Finance Cost | (58,00,48,000) | (29,94,58,000) |
| Total - (A) | 5,07,23,50,469 | 5,39,90,73,048 |
| Unsecured | | |
| From related party | | |
| 9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each | 1,67,70,03,000 | 1,67,70,03,000 |
| Cumulative liability on Preference Shares | 75,46,51,352 | 60,37,21,082 |
| From others | — | — |
| Total - (B) | 2,43,16,54,352 | 2,28,07,24,082 |
| Total (C=A+B) | 7,50,40,04,821 | 7,67,97,97,130 |
| Current Borrowings | | |
| Term Loans - Secured | | |
| From Banks & Financial Institutions | 16,07,01,15,429 | 15,78,95,25,429 |
| (b) Short-term borrowings | | |
| Loans repayable on demand | | |
| Unsecured | | |
| From related party | 76,65,84,673 | 32,37,40,758 |
| From Others | 82,46,99,868 | 1,26,95,28,884 |
| | 1,59,12,84,541 | 1,59,32,69,642 |

Terms & Conditions for Loans in GHL:

- i) Term loans from others aggregating to ₹53,51,70,984 (31st March 2020: 98,00,00,000;) is secured by way of;
 - (a) (a) pledge of 1,180,555 Equity shares held by the holding company, M/s Gayatri Projects Ltd;
 - (b) corporate guarantee of Gayatri Projects Limited;
 - (c) personal guarantee of Mr. T V Sandeep Kumar Reddy; and
 - (d) demand promissory note.
- ii) Terms of repayment

| | As at 31 March 2021 | As at 31 March 2020 |
|---------------|------------------------|------------------------|
| Up to 1 year | 53,51,70,984 | 98,00,00,000 |
| 2 to 5 years | — | — |
| Above 5 years | — | — |
| | 53,51,70,984 | 98,00,00,000 |

- iii) The above facilities carry an annual interest rate of 15% (31 March 2020: 15%).
- iv) **Settlement Agreement:** The company entered into a settlement agreement dated 14th September 2020 with Gayatri Projects Limited and IL&FS Financial Services Limited. As per this, the existing principal outstanding Rs.84,09,82,972/ - will be repaid in 11 equal monthly instalments commencing from 15.09.2020 including interest accrued thereon.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings (Continued...)

v) Terms of Preference Shares :

- a) a. The Company has only one class of 9% Non-convertible cumulative redeemable preference shares having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.
- b) As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

Terms & Conditions for Loans in SMTL :

Nature of Security for Secured Loans:

A. Term Loans from banks and financial institutions are secured by:

- a) First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- c) a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts that may be opened in accordance with the Common Loan Agreement, the Supplementary Escrow Agreement, or any of the other Project Documents where all revenues, disbursements, receivables shall be deposited and on all funds from time to time deposited there in and on all permitted investments or other securities representing all amounts credited to the Escrow Account.
- d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.
- e) an assignment by way of security
 - (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
 - (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- f) pledge of equity shares (in dematerialised form) held by the Sponsor constituting 51% (fifty one percent) of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date.
- g) an irrevocable and unconditional guarantee from the Sponsor for meeting the shortfall between Secured Obligations then outstanding and the amounts receivable by the Lenders in accordance with Clause 4.2 of the Escrow Agreement in case of Termination of Concession Agreement for any reason.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings (Continued...)

Terms & Conditions for Loans in SMTL: (Continued)

B. Subordinate Debt from India Infrastructure Finance Co. Ltd. is secured by:

- a) Mortgage and second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) A second charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- c) A second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement.
- d) A second charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.
- e) an assignment by way of security
 - (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
 - (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- f) An irrevocable and unconditional corporate guarantee from the Sponsor.

C. Subordinate Debt Support by Sponsors

As per clause no. 2.10 of Amended and Restated Sponsor Support Agreement dated 20th September 2014, the Sponsor (Gayatri Projects Limited) irrevocably agrees and undertakes-

- (a) to promptly bring in from its own source requisite funds in addition to the sponsor's contribution without in recourse to the lenders and/or the secured property to the satisfaction of the lenders by subscribing to the equity share capital of the borrower to enable the borrower to implement the project as per the project completion schedule in the event of delay in receipt of the proceeds of the subordinate facility by the borrower from the subordinate lender; and
- (b) that it shall in addition to the sponsors contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance, on year-on-year basis (i.e. on 1st of April every year, during which, interest on subordinate facility/principal installments of the subordinate facility are scheduled for payment/repayment), as per the repayment schedule stipulated by the subordinate lender.

Provided, however, that the funds brought in by the sponsor (as per Article 2.10 (a) above by subscribing to the equity share capital of the borrower) in the event there is delay in receipt of the proceeds of the subordinate facility from the subordinate lender shall be repaid to the sponsor (by redeeming the subscribed equity share capital of the borrower) on receipt of disbursements under the subordinate facility subject to their being no occurrence and continuance of event of default.



Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings (Continued...)

Terms & Conditions for Loans in SMTL: (Continued)

Terms of repayment of Secured Loans

- A. The Company shall repay the Term Loans to the Lenders in 48 (forty eight) unequal quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Common Loan Agreement dated June 26, 2013. The first repayment installment shall be due on January 1, 2016. The last repayment installment shall be paid on October 1, 2027. The lenders have extended the SCOD from July 1, 2016 to July 1, 2017 and accordingly the Term Loan Repayment Schedule is shifted from January 1, 2016 to January 1, 2018.
- B. The Company shall repay the Subordinate Loan to the Subordinate Lender in 18 quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Subordinate Loan Agreement. The first repayment installment shall be due on January 1, 2023. The last repayment installment shall be paid on April 1, 2028. However, the Sponsor, in addition to the Sponsor's Contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance on year-on-year basis, as per the repayment schedule stipulated by the subordinate lender.
- C. The above are original terms of repayment whereas IDBI on behalf of all lenders recalled the Senior and Sub debt dues as on 29.11.2019. As per the recall notice, the total loan from senior lenders and Sub-debt and interest thereon are become payable immediately. Accordingly, all the Non current borrowing are transferred to current borrowings

Rate of Interest on Secured Loans

- A. Applicable Interest Rate on Term Loans shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher.
- B. Applicable Interest Rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement.

Period and Amounts of continuing defaults as on Balance Sheet Date

The Company has defaulted in payment of interest to the Banks and Financial Institutions amounting to Rs. 61,318.03 lakhs and total outstanding loan principal of Sub debt and Senior lenders of Rs.1,54,900.67 Lakhs. The company has paid an amount of Rs.34,605.86 Lakhs to the Lenders of SMTL towards part payment of Termination Payment.

Terms relating to Interest and Repayment of Unsecured Loans:

The amount advanced by holding Company is in the nature of promoters' contribution which carries Nil rate of Interest. The loan is sub-ordinate to the Term Loan to be availed from the lenders and the same will be paid after repayment of Term Loans in full.

Terms & Conditions for Loans in IDTL:

Note: National Highways Authority of India has approved the proposal for the deferment of premium payable as per the sanction letter dated 11th June, 2014. NHAI reviews the Annual accounts every year.

Extension of Maratorium for Term Loans : In view of the prevailing COVID-19 situation, and as per guidelines issued by the Reserve Bank of India and Ministry of Finance the Lenders have been given instructions to banks on allowing moratorium in payment of EMIs, and to defer recovery of installment in our Term Loan accounts until June 2020. Further the announcement has also been made by the Honorable Finance Minister of India on 17th May 2020 on "Further enhancement of Ease of doing business through IBC related measures."

Accordingly the current maturities with respect to the Term loan I - Principal repayment for the FY 2020-21 will be Rs 9,37,50,000/- and towards Funded Interest Term loan principal repayment is Rs.20,57,08,000/- for the FY 2020-21. The Rate of Interest charged by all the Lenders during the current Financial year is 10.10% pa.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL:

Terms of Repayment

Secured Loans:

- (a) As per the terms of the sanction, the Term Loan II of Rs.40,00,00,000 is repayable within 20 equal instalments immediately from the next month of the disbursement. The total amount of term loan II disbursed was Rs. 31,12,00,000/- which has been fully repaid during the FY 2017-18. The draft Restructuring documents on 5th May, 2015 to National Highways Authority of India for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India . National Highways Authority of India .
- (b) As per the terms of the Restructuring package, an amount of Rs.39.20 Crs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014-15 to 2016-17. As per the decision of the consortium of Lenders and the Minutes of the Meeting dated 19th May, 2017, the DSRA lying in the form of FDRs amounting to Rs. 39.20 crs was redeemed and the proceeds were utilised for the prepayment of 25% of the Funded Interest Term proportionately to the Lenders along with the repayment of Term Loan II in full, so as to to reduce the interest burden on the SPV.

Hence the Interest and Principal payments for the FY 2017-18 & FY 2018-19 & Partially for FY 2019-20 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule . The repayment on account of Interest and Principal obligations to FITL account has started in the FY 2019-2020 after the adjustment of the amounts prepaid.

- (c) The additional term loan of ₹40,00,00,000 has been sanctioned by the lenders for the completion of the balance EPC works which were delayed due to the below mentioned reasons:
- Delay on the part of National Highways Authority of India in handing over of the Right Of Way. There was also a delay on the part of National Highways Authority of India in publishing the Gazette notification for Toll collection.
 - Delay on the part of National Highways Authority of India in shifting of Utilities ie., electrical poles, drinking water pipe lines etc, which created a hindrance for the completion of the project works.
 - Delay on the part of National Highways Authority of India in declaring the Appointed date (1st Sep, 2011) after signing of the Concession Agreement (17th May, 2010). (delay of 7 months from the date of financial closure ie 8th Feb, 2011).
 - The Right of Way issue & the shifting of the drinking water pipe line at Rau junction was pending at the time of issue of Provisional Completion certificate ie on 29th May, 2015 and is not resolved till date. Due to all the above reasons, the Schedule Project Completion Date was delayed.
- d) Due to all the above factors, the Interest during construction has increased as against the budgeted amount stipulated in the Project cost and the funds budgeted for EPC cost were utilized for the purpose of servicing interest to the lenders. In lieu of the above the lenders have agreed to fund the additional term loan for the completion of the balance EPC works.

e) Terms of the Restructuring Package:

- The Restructuring package is approved with a cut off date of July 01, 2014.
- Reduction in interest rates on all Term Loan facilities (Term Loan -I ₹ 450,00,00,000, Funded Interest Term Loan ₹136,18,58,057 & Term Loan -II ₹ 40,00,00,000) to 11% fixed p.a. upto FY: 2016-17, which is to be linked to the Base Rate of the Lead Lender.
- The interest on Term Loan for 11 quarters from cut-off date (July 1, 2014) to March 31, 2017 is to be funded through Funded Interest Term Loan (₹136,18,58,057).
- Moratorium of 2 years 9 months for the repayment of Term Loan - I & Funded Interest Term Loan.

f) Security for Term Loans:

Term Loans from lenders are secured by

- All monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement.
- All the Borrower's Properties and Assets excluding the Project Assets as defined in the Concession Agreement



Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

19 Borrowings (Continued...)

- (iii) All Tangible Assets of the Company not limited to Goodwill, undertaking and uncalled capital of the company.
- (iv) Pledge of shares aggregating to 66.64% of the paid-up equity capital of the Borrower, Provided that any enforcement of the pledge over shares shall be subject to prior approval of NHAI as provided in the Concession Agreement.
- (v) A first charge by way of assignment or creation on Security Interest on:
 - a) All rights, title, interest, benefits, claims and demands of Indore Dewas Tollways Limited under project documents subject to the provisions of the Concession Agreement.
 - b) Assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project.
 - c) Lenders to be named as loss payees in the insurance policies.

g) Terms of Repayment of Term Loan from Lenders

- a) The tenor of the repayment of the Term Loan - I for ₹450,00,00,000 shall be for a period of 12 years (twelve) years excluding 2.9 years of moratorium with 48 structured unequal quarterly Instalments ranging from ₹ 5,00,000 to ₹ 78,66,00,000 per annum as per the approved restructuring package.
- b) The tenor of the repayment of Funded Interest Term Loan for ₹136,18,58,057 shall be for a period of 8 years years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹1,00,00,000 to ₹38,80,00,000 per annum as per the approved restructuring package.

h) Restructuring of Term Loan as per the RBI circular dated 7th June 2019.

- i) Due to Low Toll Collections and the deficit in the cash flows, the SPV is unable to service even the interest obligations towards the Lenders in full. The account has slipped into NPA with Punjab National bank and the bank has issued a recall notice dated 4th Feb 2020 recalling the entire loan outstanding. However as the RBI has granted the COVID moratorium vide its circular dated 27th March 2020 for the period March 2020 to August 2020, the entire O/s loan of PNB is not disclosed under current liabilities.
- (ii) All the Lenders vide consortium meeting held dated 7th Feb 2020 have decided to appoint credit rating agencies ie CRISIL & CARE to assess the sustainable and unsustainable debt.
- (iii) The Techno Economic Viability Study has been done by M/s Mott Macdonald & Forensic Audit has been done by M/s Sagar & Associates, Chartered Accountants and the same has been closed by the Consortium. Both have submitted the final reports to the Senior Lenders.
- (iv) CRISIL & CARE have issued the RP4 Rating with Part A debt as Rs. 236 crs & Rs. 316 crs as Part B Debt (out of Rs 597 crs total debt as on 1st October 2020) and the same has been submitted to all the Lenders.
- (v) The company has cleared all the debt dues to all the Lenders upto Feb 2020 & availed the moratorium for the period March 2020 to August 2020. The company has also cleared all the Interest & Principal dues to the Lenders for the months of September 2020 to December 2020 to all the Lenders and partial payments of interest in the TL I for the month of January 2021.

The moratorium has been implemented by SBI & UBI as on 31st March 2021.

i) Repayment of Zero percent loan (Unsecured loans from promoters) :

Subordinate debt will be repaid only after the payment of debt Obligations towards the Lenders

The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed premium has been recognised as liabilities at discounted value. The Contractual Obligation to pay premium (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on Discounted basis as per the Concession Agreement and is a part of the "Intangible Asset " and corresponding Obligation for committed premium payable to NHAI is recognized as liabilities. The related finance costs arising on discounting has been taken to the Profit and loss account.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

20 Other Non-current liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Additional Concession Fees Payable to NHAI | 4,71,66,86,111 | 4,27,81,73,344 |
| Interest on Additional Concession Fees | 3,04,45,850 | 3,04,45,850 |
| Provision for Gratuity | 28,81,302 | 25,58,349 |
| | <u>4,75,00,13,263</u> | <u>4,31,11,77,543</u> |

21 Trade Payables

| | As at 31 March 2021 | As at 31 March 2020 |
|----------------|------------------------|------------------------|
| Others Payable | 4,75,31,355 | 11,38,00,198 |
| | <u>4,75,31,355</u> | <u>11,38,00,198</u> |

- (a) Trade payables are non-interest bearing and are normally settled within 90 days
- (b) The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2021 or 31st March 2020.

22 Other Financial Liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Current maturities of long-term borrowings (refer note 19) | 16,07,01,15,429 | 15,78,95,25,429 |
| Interest accrued and due on borrowings | 2,97,24,75,812 | 3,93,58,05,895 |
| Claims payable-related party-EPC Contractor | 2,27,45,00,000 | 2,27,45,00,000 |
| Claims Receivable -NHAI | (2,27,45,00,000) | (2,27,45,00,000) |
| Payable to related parties | 58,50,000 | — |
| Financial guarantee | 34,09,467 | 51,99,674 |
| | <u>19,05,18,50,708</u> | <u>19,73,05,30,998</u> |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

23 Other Current liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Statutory liabilities | 24,71,512 | 26,66,874 |
| Creditors for capital expenditure | 14,69,89,877 | 14,60,26,939 |
| Creditors for Expenses | 67,55,722 | 41,50,217 |
| Other Site Expenses | 1,74,88,853 | 79,85,755 |
| Retention Money Payable | 14,58,25,578 | 14,58,16,037 |
| Capital Advance-loan and advances - related party | (4,65,60,294) | (4,65,60,294) |
| Advance against Change of Scope works - NHAI | 5,55,35,294 | 5,55,35,294 |
| Advance against Change of Scope works-related party | (5,45,41,708) | (5,45,41,708) |
| Short Term Provisions | 5,55,037 | 3,44,200 |
| | <u>27,45,19,871</u> | <u>26,14,23,314</u> |

24 Revenue from operations

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Operation & Maintenance Income | 3,35,70,644 | 3,19,53,020 |
| Toll Revenue | 75,38,60,692 | 1,55,78,23,369 |
| Change of Scope Income | 1,06,87,381 | 72,43,312 |
| Deputation Income | 1,58,40,000 | 1,44,00,000 |
| | <u>81,39,58,717</u> | <u>1,61,14,19,701</u> |
| Revenue from Discontinued operations | — | 91,63,30,403 |
| Revenue from Continuing operations | 81,39,58,717 | 69,50,89,298 |

25 Other Income

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Interest on Advances | 2,11,10,517 | 2,11,10,517 |
| Financial interest income | 5,74,62,069 | 4,95,36,266 |
| Financial guarantee income | 17,90,206 | 23,53,076 |
| Others | 1,72,10,923 | 1,83,91,112 |
| | <u>9,75,73,715</u> | <u>9,13,90,971</u> |
| Other Income from Discontinued operations | 25,20,683 | 1,55,67,519 |
| Other Income from Continuing operations | 9,50,53,032 | 7,58,23,452 |

26 Construction and Operations & Maintenance Expenses

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Change of Scope Expenses | 1,15,34,403 | 71,47,391 |
| Toll Plaza Administrative Expenses | 3,96,93,377 | 13,98,34,203 |
| Operating and Maintenance Expenses | 6,43,21,559 | 8,54,62,461 |
| | <u>11,55,49,339</u> | <u>23,24,44,055</u> |
| Construction and Operations & Maintenance Expenses | | |
| - from Discontinued operations | 17,034 | 9,14,97,999 |
| - from Continuing operations | 11,55,32,305 | 14,09,46,056 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

27 Employee benefits expense

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 1,84,77,816 | 2,63,64,425 |
| | <u>1,84,77,816</u> | <u>2,63,64,425</u> |
| Employee benefits expense from Discontinued operations | 9,80,901 | 65,04,104 |
| Employee benefits expense from Continuing operations | 1,74,96,915 | 1,98,60,321 |

28 Finance costs

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Interest expense on borrowings | 3,66,79,22,523 | 3,39,30,42,923 |
| Finance cost on Preference Shares | 15,09,30,270 | 15,09,30,270 |
| Other borrowing costs | 91,19,547 | 11,03,71,040 |
| | <u>3,82,79,72,340</u> | <u>3,65,43,44,233</u> |
| Finance costs from Discontinued operations | 2,47,66,26,346 | 2,34,20,08,246 |
| Finance costs from Continuing operations | 1,35,13,45,994 | 1,31,23,35,987 |

29 Depreciation and Amortisation expenses

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Depreciation Expenses | 6,44,223 | 8,66,203 |
| Amortisation Expenses | 20,57,37,038 | 31,87,41,254 |
| | <u>20,63,81,261</u> | <u>31,96,07,457</u> |
| Depreciation and Amortisation expenses | | |
| - from Discontinued operations | — | 14,37,13,415 |
| - from Continuing operations | 20,63,81,261 | 17,58,94,042 |

30 Other expenses

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Rates and taxes | 10,39,493 | 2,15,769 |
| Bank Charges | 30,527 | 4,911 |
| Administrative Expenses | 47,30,208 | 1,47,67,222 |
| Electricity Charges | 24,65,045 | 20,35,405 |
| Insurances | 20,41,768 | 56,62,880 |
| Auditor's remuneration (refer note below) | 8,87,920 | 10,13,900 |
| Legal, Consultancy & Professional Expenses | 1,95,53,344 | 3,06,72,938 |
| Travelling and conveyance | 23,14,562 | 48,03,909 |
| Director's sitting fees | 12,96,700 | 8,02,400 |
| Advertisement expenses | 2,39,860 | 2,64,285 |
| Office Maintenance | 4,41,909 | 6,52,433 |
| Printing & Stationery | 97,640 | 2,62,350 |
| Postage and Telegraphs | — | 72,421 |
| | <u>3,51,38,976</u> | <u>6,12,30,823</u> |
| Other expenses from Discontinued operations | 10,14,808 | 2,50,20,768 |
| Other expenses from Continuing operations | 3,41,24,168 | 3,62,10,055 |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

30 Auditor's remuneration (Continued...)

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| -Statutory Audit fee | 5,64,000 | 7,36,000 |
| -Tax Audit fee | 50,000 | 50,000 |
| -Others | 1,29,920 | 72,900 |
| -as certification fees (included in consultancy and professional charges) | 1,44,000 | 1,55,000 |
| | 8,87,920 | 10,13,900 |

31 Discontinued Operations

As per Ind AS 105, Non-current Assets held for sale and Discontinued operations, entities shall disclose a single amount in the Statement of profit and loss comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. An analysis of profit/(loss) from discontinued operations is also required by paragraph 33 of Ind AS 105.

Statement of Profit and Loss from discontinuing operations for the year ending 31st March 2021

| | Note | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|------|--|--|
| Income | | | |
| Revenue from Operations | 24 | — | 91,63,30,403 |
| Other Income | 25 | 25,20,683 | 1,55,67,519 |
| Total income | | 25,20,683 | 93,18,97,922 |
| Expenses | | | |
| Operations & Maintenance Expenses | 26 | 17,034 | 9,14,97,999 |
| Employee benefits expense | 27 | 9,80,901 | 65,04,104 |
| Finance costs | 28 | 2,47,66,26,346 | 2,34,20,08,246 |
| Depreciation & Amortisation expenses | 29 | — | 14,37,13,415 |
| Other expenses | 30 | 10,14,808 | 2,50,20,768 |
| Total expense | | 2,47,86,39,089 | 2,60,87,44,532 |
| Loss before tax from Discontinuing operations | | (2,47,61,18,406) | (1,67,68,46,610) |
| Current Tax | | — | — |
| Loss after tax from Discontinuing operations | | (2,47,61,18,406) | (1,67,68,46,610) |

Statement of summary of Cash flows from discontinued operations for the year ended 31st March 2021

| | | |
|--|--------------------|----------------------|
| (a)Cash flows from operating activities | (38,37,954) | (3,04,63,68,338) |
| (b)Cash flows from investing activities | — | 17,90,38,30,814 |
| (c)Cash flows from financing activities | — | (14,87,52,65,553) |
| Net cash flows from discontinued operations | (38,37,954) | (1,78,03,077) |

32 Tax expense

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| A.Tax expense comprises of: | | |
| Current tax | — | — |
| Deferred tax | — | — |
| Income tax expense reported in the statement of profit or loss | — | — |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

32 Tax expense (Continued...)

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows:

| | | |
|---|-------------------------|-------------------------|
| Accounting loss before tax from continuing operations | (97,80,95,436) | (1,13,57,32,360) |
| Accounting loss before tax from discontinued operations | (2,47,61,18,406) | (1,67,68,46,610) |
| Accounting profit before income tax | (3,45,42,13,842) | (2,81,25,78,970) |
| At India's statutory income tax rate of 34.608%* | — | — |
| Income Tax expense | — | — |

* Due to losses in current and earlier years, the management has not recognised deferred tax assets

33 Earnings/(loss) per share (EPS)

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Weighted average number of shares used to compute EPS | 23,96,51,900 | 23,96,51,900 |
| Add: Dilutive shares | — | — |
| Weighted average number of shares used to compute diluted EPS | 23,96,51,900 | 23,96,51,900 |
| Nominal value - Rupees (₹) per equity share | 2 | 2 |
| Continuing Operations | | |
| Net loss after tax attributable to equity shareholders | (97,80,95,436) | (1,13,57,32,360) |
| Add: Savings of interest upon conversion of instruments | — | — |
| Net loss after tax attributable to equity shareholders for calculating diluted earning per share | (97,80,95,436) | (1,13,57,32,360) |
| Earnings per share | | |
| Basic (₹) | (4.08) | (4.74) |
| Diluted (₹) | (4.08) | (4.74) |
| Discontinued Operations | | |
| Net loss after tax attributable to equity shareholders | (2,47,61,18,406) | (1,67,68,46,610) |
| Add: Savings of interest upon conversion of instruments | — | — |
| Net loss after tax attributable to equity shareholders for calculating diluted earning per share | (2,47,61,18,406) | (1,67,68,46,610) |
| Earnings per share | | |
| Basic (₹) | (10.33) | (7.00) |
| Diluted (₹) | (10.33) | (7.00) |
| Continuing & Discontinued Operations | | |
| Net loss after tax attributable to equity shareholders | (3,45,42,13,842) | (2,81,25,78,970) |
| Add: Savings of interest upon conversion of instruments | — | — |
| Net loss after tax attributable to equity shareholders for calculating diluted earning per share | (3,45,42,13,842) | (2,81,25,78,970) |
| Earnings per share | | |
| Basic (₹) | (14.41) | (11.74) |
| Diluted (₹) | (14.41) | (11.74) |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

34 Goodwill / Capital Reserve (continued)

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| A. CAPITAL RESERVE | | |
| (i) Acquisition of Subsidiaries | | |
| Cost of Investment in SMTL | | |
| (a) Equity Share Capital of GHL issued to GPL | 12,46,00,000 | 12,46,00,000 |
| (b) Preference Share Capital of GHL issued to GPL | 1,67,70,03,000 | 1,67,70,03,000 |
| Total (A) | <u>1,80,16,03,000</u> | <u>1,80,16,03,000</u> |
| Value of Investment in SMTL | | |
| (a) Equity Share capital of SMTL | 10,00,08,430 | 10,00,08,430 |
| (b) Securities Premium | 1,70,15,94,153 | 1,70,15,94,153 |
| (c) Profit & Loss A/c | (75,54,776) | (75,54,776) |
| Total (B) | <u>1,79,40,47,807</u> | <u>1,79,40,47,807</u> |
| Goodwill on Acquisition of Subsidiaries (A-B) (I) | <u>75,55,193</u> | <u>75,55,193</u> |
| (ii) Acquisition of Investments(from Demerger) | | |
| Cost of Investment of BOT Assets | | |
| (a) Equity Share Capital of GHL issued to GPL | 35,45,03,800 | 35,45,03,800 |
| Total (A) | <u>35,45,03,800</u> | <u>35,45,03,800</u> |
| Value of Assets received from GPL | | |
| Investments in Infrastructure BOT Assets | 1,05,90,13,591 | 1,05,90,13,591 |
| Other Net Assets(BOTs) received from GPL | (23,06,74,771) | (23,06,74,771) |
| Total (B) | <u>82,83,38,820</u> | <u>82,83,38,820</u> |
| Capital Reserve on Acquisition of Investments (A-B) (II) | <u>(47,38,35,020)</u> | <u>(47,38,35,020)</u> |
| (iii) Net Amount of Capital Reserve (I-II) | <u>(46,62,79,827)</u> | <u>(46,62,79,827)</u> |
| B. Goodwill on consolidation | | |
| (i) Acquisition of Subsidiaries | | |
| Cost of Investment in SMTL | | |
| (a) Equity Share Capital of GHL issued to GPL | 12,46,00,000 | 12,46,00,000 |
| (b) Preference Share Capital of GHL issued to GPL | 1,67,70,03,000 | 1,67,70,03,000 |
| Total (A) | <u>1,80,16,03,000</u> | <u>1,80,16,03,000</u> |
| Value of Investment in SMTL | | |
| (a) Equity Share capital of SMTL | 10,00,08,430 | 10,00,08,430 |
| (b) Securities Premium | 1,70,15,94,153 | 1,70,15,94,153 |
| (c) Profit & Loss A/c | (75,54,776) | (75,54,776) |
| Total (B) | <u>1,79,40,47,807</u> | <u>1,79,40,47,807</u> |
| Goodwill on Acquisition of Subsidiaries (A-B) (I) | <u>75,55,193</u> | <u>75,55,193</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

34 Goodwill / Capital Reserve (continued)

| | As at 31 March 2021 | As at 31 March 2020 |
|--|-------------------------|-------------------------|
| (ii) Consolidation of Subsidiaries | | |
| A. IDTL | | |
| Cost of Investment in IDTL | | |
| (a) Equity Share Capital of GHL in IDTL | 3,33,400 | 3,33,400 |
| (b) Equity Share Capital of BHHPL in IDTL | 1,66,600 | 1,66,600 |
| Total (A) | <u>5,00,000</u> | <u>5,00,000</u> |
| Value of Investment in IDTL | | |
| (a) Equity Share capital of IDTL | 5,00,000 | 5,00,000 |
| (b) Profit & Loss A/c | (1,14,38,80,276) | (1,14,38,80,276) |
| (c) Other Equity | — | — |
| (d) Less: Loan from GIVL to IDTL | — | — |
| Total (B) | <u>(1,14,33,80,276)</u> | <u>(1,14,33,80,276)</u> |
| Goodwill on Consolidation of Subsidiaries - IDTL (A-B) (II) | 1,14,38,80,276 | 1,14,38,80,276 |
| B. SMTL | | |
| Cost of Investment in SMTL | | |
| (a) Equity Share Capital of GHL issued to GPL | 12,46,00,000 | 12,46,00,000 |
| (b) Preference Share Capital of GHL issued to GPL | 1,67,70,03,000 | 1,67,70,03,000 |
| Total (A) | <u>1,80,16,03,000</u> | <u>1,80,16,03,000</u> |
| Value of Investment in SMTL | | |
| (a) Equity Share capital of SMTL | 10,00,08,430 | 10,00,08,430 |
| (b) Securities Premium | 1,70,15,94,153 | 1,70,15,94,153 |
| (c) Profit & Loss A/c (after adjustment for fair valuation) | (75,54,776) | (75,54,776) |
| Total (B) | <u>1,79,40,47,807</u> | <u>1,79,40,47,807</u> |
| Goodwill/(Capital Reserve) on Consolidation of Subsidiaries (A-B) | 75,55,193 | 75,55,193 |
| Less: Goodwill recognised on Acquisition of Investment in SMTL (I) | (75,55,193) | (75,55,193) |
| Capital reserve on Consolidation of SMTL (III) | — | — |
| C. BHHPL | | |
| Cost of Investment in BHHPL | | |
| (a) Equity Share Capital of GHL in BHHPL | 10,00,000 | 10,00,000 |
| Total (A) | <u>10,00,000</u> | <u>10,00,000</u> |
| Value of Investment in BHHPL | | |
| (a) Equity Share capital of BHHPL | 10,00,000 | 10,00,000 |
| (b) Profit & Loss A/c | (15,43,916) | (15,43,916) |
| Total (B) | <u>(5,43,916)</u> | <u>(5,43,916)</u> |
| Goodwill on Consolidation of Subsidiaries - BHHPL (A-B) (IV) | 15,43,916 | 15,43,916 |
| Consolidated Goodwill/(Capital Reserve) (II+III+IV) | <u>1,14,54,24,192</u> | <u>1,14,54,24,192</u> |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

35 Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2021 were as follows :

| | Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair Value |
|------------------------------------|------|---------------------|----------|------------------------|------------------------|------------------------|
| Financial assets: | | | | | | |
| Investments | 8 | 86,43,09,202 | — | — | 6,43,09,202 | 86,43,09,202 |
| Trade receivables | 12 | — | — | 13,44,536 | 13,44,536 | 13,44,536 |
| Loans | 9 | — | — | 46,98,04,353 | 46,98,04,353 | 46,98,04,353 |
| Cash and cash equivalents | 13 | — | — | 3,37,32,988 | 3,37,32,988 | 3,37,32,988 |
| Total financial assets | | 86,43,09,202 | — | 50,48,81,877 | 1,36,91,91,079 | 1,36,91,91,079 |
| Financial liabilities: | | | | | | |
| Borrowings | 19 | — | — | 9,09,52,89,362 | 9,09,52,89,362 | 9,09,52,89,362 |
| Trade payables | 21 | — | — | 4,75,31,355 | 4,75,31,355 | 4,75,31,355 |
| Other financial liabilities | 22 | — | — | 19,05,18,50,708 | 19,05,18,50,708 | 19,05,18,50,708 |
| Total financial liabilities | | — | — | 28,19,46,71,425 | 28,19,46,71,425 | 28,19,46,71,425 |

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

| | Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair Value |
|------------------------------------|------|-----------------------|----------|------------------------|------------------------|------------------------|
| Financial assets | | | | | | |
| Investments | 8 | 1,02,06,55,379 | — | — | 1,02,06,55,379 | 1,02,06,55,379 |
| Trade receivables | 12 | — | — | 11,02,216 | 11,02,216 | 11,02,216 |
| Loans | 9 | — | — | 59,46,26,031 | 59,46,26,031 | 59,46,26,031 |
| Cash and cash equivalents | 13 | — | — | 1,89,91,183 | 1,89,91,183 | 1,89,91,183 |
| Total financial assets | | 1,02,06,55,379 | — | 61,47,19,430 | 1,63,53,74,809 | 1,63,53,74,809 |
| Financial liabilities : | | | | | | |
| Borrowings | 19 | — | — | 9,27,30,66,772 | 9,27,30,66,772 | 9,27,30,66,772 |
| Trade Payables | 21 | — | — | 11,38,00,198 | 11,38,00,198 | 11,38,00,198 |
| Other financial liabilities | 22 | — | — | 19,73,05,30,998 | 19,73,05,30,998 | 19,73,05,30,998 |
| Total financial liabilities | | — | — | 29,11,73,97,968 | 29,11,73,97,968 | 29,11,73,97,968 |

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

iii. Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, whenever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

36 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement |
|-----------------------------|--|-----------------------------|
| Credit risk | Cash and cash equivalent, trade receivables, financial assets measured at amortized cost | Ageing analysis |
| Liquidity risk | Borrowings and other financial liabilities | Rolling cash flow forecasts |
| Market risk – Interest rate | Long-term borrowings at variable rates | Sensitivity analysis |

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

36 Financial risk management (Contd...)**Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| As at 31 March 2021 | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|-----------------------------|-------------------------|--------------------------|--------------------------|------------------------|
| Non-derivatives | | | | |
| Borrowings | 17,58,46,84,720 | 4,98,39,39,330 | 1,84,21,29,389 | 24,41,07,53,439 |
| Future interest payments | 4,00,08,24,167 | 2,63,11,41,992 | 16,15,49,651 | 6,79,35,15,811 |
| Trade payables | 2,61,72,013 | — | — | 2,61,72,013 |
| Other financial liabilities | 33,50,47,865 | 2,17,02,649 | 3,39,54,778 | 39,07,05,291 |
| Total | 21,94,67,28,765 | 7,63,67,83,972 | 2,03,76,33,818 | 31,62,11,46,554 |
| As at 31 March 2020 | | | | |
| Non-derivatives | | | | |
| Borrowings | 17,65,77,52,071 | 4,45,47,73,017 | 2,64,58,04,028 | 24,75,83,29,116 |
| Future interest payments | 5,10,59,08,848 | 3,04,29,93,539 | 37,54,05,675 | 8,52,43,08,063 |
| Trade payables | 4,09,38,005 | — | — | 4,09,38,005 |
| Other financial liabilities | — | 4,30,43,187 | 4,28,45,56,453 | 4,32,75,99,640 |
| Total | 22,80,45,98,924 | 7,54,08,09,743 | 7,30,57,66,156 | 37,65,11,74,823 |

c. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

| | As at 31 March 2021 | As at 31 March 2020 |
|-------------------------|--------------------------------|--------------------------------|
| Fixed rate borrowing | 6,35,52,72,453 | 6,84,62,34,048 |
| Interest free borrowing | 1,05,61,13,557 | 61,32,69,642 |
| Total borrowings | 7,41,13,86,010 | 7,45,95,03,690 |

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Interest rates – increase by 50 basis points (50 bps) | (3,17,76,362) | (3,42,31,170) |
| Interest rates – decrease by 50 basis points (50 bps) | 3,17,76,362 | 3,42,31,170 |

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

37 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Long term borrowings (including current maturities) | 9,09,52,89,362 | 9,27,30,66,772 |
| Less: Cash and cash equivalents | (3,37,32,988) | (1,89,91,183) |
| Net debt | 9,06,15,56,374 | 9,25,40,75,589 |
| Total equity | (8,53,89,05,843) | (5,08,46,91,999) |
| Gearing ratio | (1.06) | (1.82) |

38 Contingent liabilities

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Disputed income tax dues | — | 8,92,926 |
| Pledge of equity shares held in jointly controlled entities for loans taken by them | | |
| Sai Maatarini Tollways Limited | 18,16,12,83,949 | 19,15,61,37,234 |
| Indore Dewas Tollways Limited | 5,93,05,29,983 | 5,88,93,79,122 |
| Gayatri Jhansi Roadways Limited | 79,89,95,636 | 92,28,58,237 |
| Gayatri Lalitpur Roadways Limited | 58,43,30,116 | 67,98,71,775 |
| HKR Roadways Limited | 7,78,60,84,718 | 7,34,53,82,037 |
| Corporate guarantee given to lenders of | | |
| Sai Maatarini Tollways Limited | 15,31,56,00,000 | 15,31,56,00,000 |
| Indore Dewas Tollways Limited | 6,26,13,00,000 | 6,26,13,00,000 |
| Demand payable to NHAI in IDTL | 5,56,05,24,710 | 2,36,65,196 |

The Company has extended certain corporate guarantees to the lenders of the group entities in accordance with the contractual terms entered into with them. The management, on the basis of assessment of the nature of business activities carried on, is of the view that the provisions of Section 186 of the Act is not applicable to the Company as it does get classified as a Company carrying on "Infrastructural Projects" as defined in Schedule VI to the Act.

39 Related party disclosures

a) Name of related parties and nature of relationship

| Name of the related party | Nature of relationship |
|--|--|
| Sai Maatarini Tollways Limited | Wholly owned Subsidiary |
| Indore Dewas Tollways Limited Balaji Highways Holding Private Limited | Subsidiaries |
| Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited | Jointly controlled entities |
| Gayatri Projects Limited T. Indira Subbarami Reddy T.V. Sandeep Kumar Reddy | Significant holder of Shares |
| T. Subbarami Reddy T. Sarita Reddy | Relative of Significant holder of Shares |
| K.G.Naidu, Chief Executive Officer P.K.Sahoo, Chief Financial Officer P.Rajkumar, Company Secretary | Key Management Personnel ("KMP") |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

39 Related party disclosures (Continued..)**b) Transactions with related parties**

| | For the Year Ended 31 March 2021 | For the Year Ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Gayatri Jhansi Roadways Limited | | |
| Financial guarantee income | 10,04,966 | 13,25,583 |
| Gayatri Lalitpur Roadways Limited | | |
| Financial guarantee income | 7,85,240 | 10,27,492 |
| Intercorporated Deposit received | — | 2,85,60,000 |
| Cyberabad Expressways Limited | | |
| Interest income | 3,29,03,621 | 3,12,76,985 |
| Deputation Income | 79,20,000 | 72,00,000 |
| Loans given / (recovered) | (10,57,90,099) | — |
| Hyderabad Expressways Limited | | |
| Interest income | 4,56,68,965 | 3,93,69,798 |
| Operations & Maintenance Income | 3,35,70,644 | 3,19,53,020 |
| Deputation Income | 79,20,000 | 72,00,000 |
| Loans given / (recovered) | (9,24,93,797) | — |
| HKR Roadways Limited | | |
| Loans given/ (recovered) | — | (35,00,000) |
| Gayatri Projects Limited | | |
| Loans taken/ (repaid) | 44,28,43,915 | 13,22,00,000 |

c) Balances receivable/(payable)

| | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------|------------------------|------------------------|
| Gayatri Jhansi Roadways Limited | (18,63,088) | (28,68,054) |
| Gayatri Lalitpur Roadways Limited | (9,58,32,909) | (9,66,18,149) |
| Hyderabad Expressways Limited | 19,38,56,303 | 28,63,50,100 |
| HKR Roadways Limited | 1,74,69,823 | 1,74,69,823 |
| Cyberabad Expressways Limited | 25,87,34,530 | 36,45,24,629 |
| Gayatri Projects Limited | (2,47,30,78,679) | (2,03,02,34,764) |

d) Guarantees and pledges outstanding

Refer Note 38 for financial guarantees and pledges outstanding.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

40 Interest in Subsidiaries, Associates and Jointly controlled entities

The Company's interest in jointly controlled entities is as below:

| Name of entity | Interest in Entities as on 31 March 2021 | Interest in Entities as on 31 March 2020 |
|---|---|---|
| Subsidiaries | | |
| Sai Maatarini Tollways Limited | 100% | 100% |
| Indore Dewas Tollways Limited | 100% | 100% |
| Balaji Highways Holding Private Limited | 99.99% | 49% |
| Jointly Controlled Entities | | |
| Gayatri Jhansi Roadways Limited | 51% | 51% |
| Gayatri Lalitpur Roadways Limited | 51% | 51% |
| Cyberabad Expressways Limited | 20% | 20% |
| Hyderabad Expressways Limited | 50% | 50% |
| HKR Roadways Limited | 50% | 50% |

The Company's interest in Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited and HKR Roadways Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entities based on its Ind AS financial statements is set out below:

A) Gayatri Jhansi Roadways Limited:

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,03,03,02,735 | 1,00,70,63,951 |
| Non-current assets | 1,79,74,56,793 | 1,85,08,18,620 |
| Current liabilities, including trade payables | (35,84,57,430) | (35,25,03,150) |
| Non-current liabilities including borrowings | (1,77,24,91,223) | (1,95,71,68,116) |
| Net assets | 69,68,10,875 | 54,82,11,305 |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

40 Interest in Subsidiaries and Jointly controlled entities(Contd..)**(ii) Summarised statement of profit and loss:**

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 49,47,31,739 | 51,21,08,144 |
| Operation & Maintenance Expenses | 14,30,05,878 | 12,70,14,934 |
| Depreciation & amortization | 23,865 | 16,882 |
| Finance cost | 16,19,80,803 | 18,56,62,222 |
| Employee benefit | 1,79,51,391 | 1,60,90,712 |
| Other expense | 2,31,70,232 | 2,30,26,777 |
| Profit / (Loss) before tax | 14,85,99,570 | 16,02,96,617 |
| Income tax expense | — | — |
| Profit / (Loss) for the year | 14,85,99,570 | 16,02,96,617 |
| Total comprehensive income/(Loss) for the year | 14,85,99,570 | 16,02,96,617 |

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 38. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

B) Gayatri Lalitpur Roadways Limited**(i) Summarised balance sheet as at 31 March 2021:**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 98,34,45,071 | 87,23,25,713 |
| Non-current assets | 1,30,41,91,296 | 1,42,51,17,083 |
| Current liabilities, including trade payables | (21,47,35,593) | (22,00,22,993) |
| Non-current liabilities including borrowings | (1,39,55,05,416) | (1,51,57,48,756) |
| Net assets | 67,73,95,358 | 56,16,71,047 |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue | 40,11,46,150 | 41,32,48,239 |
| Operation & Maintenance Expenses | 13,05,73,123 | 11,85,27,534 |
| Depreciation & amortization | 11,939 | 3,503 |
| Finance cost | 11,97,50,960 | 14,31,46,451 |
| Employee benefit | 1,34,18,478 | 1,15,38,667 |
| Other expense | 2,16,67,339 | 2,35,31,617 |
| Profit / (loss) before tax | 11,57,24,311 | 11,65,00,467 |
| Income tax expense | — | — |
| Profit/(loss) for the year | 11,57,24,311 | 11,65,00,467 |
| Total comprehensive income/(loss) for the year | 11,57,24,311 | 11,65,00,467 |

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 38. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

40 Interest in Subsidiaries and Jointly controlled entities(Contd..)

C) Cyberabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,00,17,38,762 | 87,62,64,839 |
| Non-current assets | 49,58,05,241 | 1,10,80,87,304 |
| Current liabilities, including trade payables | (1,45,40,10,175) | (2,07,02,53,770) |
| Non-current liabilities including borrowings | (71,04,34,475) | (56,94,29,767) |
| Net assets | (66,69,00,647) | (65,53,31,394) |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 31,60,78,719 | 37,63,75,190 |
| Operation & Maintenance Expenses | 11,87,29,579 | 17,44,75,841 |
| Depreciation & amortization | 3,17,644 | 3,29,187 |
| Finance cost | 19,04,82,249 | 25,53,58,957 |
| Employee benefit | 95,85,600 | 89,18,526 |
| Other expense | 85,32,900 | 1,52,26,770 |
| Profit / (loss) before tax | (1,15,69,253) | (7,79,34,091) |
| Income Tax expenses | — | 15,22,843 |
| Profit /(loss) for the year | (1,15,69,253) | (7,94,56,934) |
| Total comprehensive loss for the year | (1,15,69,253) | (7,94,56,934) |

The Company had no contingent liabilities or capital commitments relating to its interest in Cyberabad Expressways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 38. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

D) Hyderabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2021:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Current assets including trade receivables | 1,31,05,64,695 | 1,20,29,10,559 |
| Non-current assets | 18,13,83,768 | 69,36,37,991 |
| Current liabilities, including trade payables | (3,17,92,090) | (35,83,86,943) |
| Non-current liabilities including borrowings | (74,01,36,203) | (83,10,79,428) |
| Net assets | 72,00,20,170 | 70,70,82,179 |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 27,06,40,193 | 31,30,06,560 |
| Operation & Maintenance Expenses | 13,05,90,368 | 17,51,12,899 |
| Depreciation & amortization | 4,11,218 | 2,67,682 |
| Finance cost | 10,26,47,527 | 14,75,25,505 |
| Employee benefit | 1,30,90,019 | 1,06,18,719 |
| Other expense | 92,25,950 | 1,44,70,454 |
| Profit /(loss) for the year | 1,46,75,111 | (3,49,88,699) |
| Income tax expense | (17,37,120) | — |
| Profit /(loss) for the year | 1,29,37,991 | (3,49,88,699) |
| Total comprehensive income /(loss) for the year | 1,29,37,991 | (3,49,88,699) |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

40 Interest in Subsidiaries and Jointly controlled entities(Contd..)

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 38. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

E) HKR Roadways Limited**(i) Summarised balance sheet as at 31 March 2021:**

| | As at 31 March 2021 | As at 31 March 2020 |
|---|-------------------------|-------------------------|
| Current assets including trade receivables | 5,15,87,762 | 47,35,84,753 |
| Non-current assets | 13,58,70,99,160 | 13,58,97,32,900 |
| Current liabilities, including trade payables | (5,97,10,45,847) | (3,72,68,26,083) |
| Non-current liabilities including borrowings | (10,53,35,93,733) | (11,71,56,07,224) |
| Net assets | (2,86,59,52,658) | (1,37,91,15,654) |

(ii) Summarised statement of profit and loss:

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 1,57,47,45,438 | 1,87,44,72,814 |
| Depreciation & amortization | 42,74,22,978 | 47,90,79,009 |
| Finance cost | 1,77,82,05,772 | 1,63,27,14,095 |
| Employee benefit | 2,26,24,970 | 2,53,03,540 |
| Other expense | 83,33,28,723 | 39,13,84,160 |
| Loss for the year | (1,48,68,37,005) | (65,40,07,990) |
| Total comprehensive loss for the year | (1,48,68,37,005) | (65,40,07,990) |

The Company had no contingent liabilities or capital commitments relating to its interest in HKR Roadways Limited as at 31st March 2021 and 31st March 2020, except as disclosed in Note 38. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2021 and 31st March 2020.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

41. Statutory Group Information

| Name of the entity in the group | As % of consolidated net assets | Net Assets, i.e., total assets minus total liabilities | | Share in profit and (loss) | |
|---|---------------------------------|--|--|--|------------------|
| | | INR | | As % of consolidated profit and (loss) | INR |
| Parent | | | | | |
| Gayatri Highways Limited | | | | | |
| Balance as at 31st March 2021 | 27% | (2,33,80,44,105) | | 7% | (18,82,88,083) |
| Balance as at 31st March 2020 | 42% | (2,15,56,06,886) | | 6% | (21,50,55,335) |
| Subsidiaries in India | | | | | |
| Sai Maatarini Tollways Limited | | | | | |
| Balance as at 31st March 2021 | 48% | (4,05,70,19,882) | | 88% | (2,47,61,18,406) |
| Balance as at 31st March 2020 | 31% | (1,58,09,01,483) | | 49% | (1,67,68,46,610) |
| Indore Dewas Tollways Limited. | | | | | |
| Balance as at 31st March 2021 | 34% | (2,92,16,83,614) | | 22% | (62,75,14,063) |
| Balance as at 31st March 2020 | 45% | (2,29,42,33,658) | | 20% | (69,90,61,721) |
| Balaji Highways Holding Private Limited. | | | | | |
| Balance as at 31st March 2021 | 0% | (9,67,444) | | 0% | (63,989) |
| Balance as at 31st March 2020 | 0% | (8,98,455) | | 0% | (39,011) |
| Jointly controlled entities in India (investment as per the equity method) | | | | | |
| Gayatri Jhansi Roadways Limited | | | | | |
| Balance as at 31st March 2021 | -3% | 28,21,19,533 | | -3% | 7,47,80,814 |
| Balance as at 31st March 2020 | -4% | 20,73,38,719 | | -2% | 8,04,25,692 |
| Gayatri Lalitpur Roadways Limited | | | | | |
| Balance as at 31st March 2021 | -4% | 30,29,34,735 | | -2% | 5,82,34,158 |
| Balance as at 31st March 2020 | -5% | 24,47,00,577 | | -2% | 5,83,87,746 |
| Cyberabad Expressways Limited | | | | | |
| Balance as at 31st March 2021 | 0% | 1,28,66,892 | | 0% | (23,13,851) |
| Balance as at 31st March 2020 | 0% | 1,51,80,743 | | 0% | (1,58,91,387) |
| Hyderabad Expressways Limited | | | | | |
| Balance as at 31st March 2021 | -2% | 18,08,88,042 | | 0% | 64,68,995 |
| Balance as at 31st March 2020 | -3% | 17,44,19,047 | | 1% | (1,74,94,349) |
| HKR Roadways Limited | | | | | |
| Balance as at 31st March 2021 | 0% | - | | 11% | (29,93,99,417) |
| Balance as at 31st March 2020 | -6% | 30,53,09,397 | | 9% | (32,70,03,995) |

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

41 Statutory Group Information(Contd...)

| Name of the entity in the group | Share in other Comprehensive income | | Share in total Comprehensive income | |
|---|-------------------------------------|----------|--|------------------|
| | As % of consolidated net assets | INR | As % of consolidated profit and (loss) | INR |
| Parent | | | | |
| Gayatri Highways Limited | | | | |
| Balance as at 31st March 2021 | — | — | 5% | (18,82,88,083) |
| Balance as at 31st March 2020 | — | — | 8% | (21,50,55,335) |
| Subsidiaries in India | | | | |
| Sai Maatarini Tollways Limited | | | | |
| Balance as at 31st March 2021 | — | — | 72% | (2,47,61,18,406) |
| Balance as at 31st March 2020 | — | — | 60% | (1,67,68,46,610) |
| Indore Dewas Tollways Limited. | | | | |
| Balance as at 31st March 2021 | 100% | 2,758 | 18% | (62,75,11,305) |
| Balance as at 31st March 2020 | 100% | 1,77,644 | 25% | (69,88,84,077) |
| Balaji Highways Holding Private Limited. | | | | |
| Balance as at 31st March 2021 | — | — | 0% | (63,989) |
| Balance as at 31st March 2020 | — | — | 0% | (39,011) |
| Jointly controlled entities in India and Associate (investment as per the equity method) | | | | |
| Gayatri Jhansi Roadways Limited | | | | |
| Balance as at 31st March 2021 | — | — | -2% | 7,47,80,814 |
| Balance as at 31st March 2020 | — | — | -3% | 8,04,25,692 |
| Gayatri Lalitpur Roadways Limited | | | | |
| Balance as at 31st March 2020 | — | — | -2% | 5,82,34,158 |
| Balance as at 31st March 2019 | — | — | -2% | 5,83,87,746 |
| Cyberabad Expressways Limited | | | | |
| Balance as at 31st March 2021 | — | — | 0% | (23,13,851) |
| Balance as at 31st March 2020 | — | — | 1% | (1,58,91,387) |
| Hyderabad Expressways Limited | | | | |
| Balance as at 31st March 2021 | — | — | 0% | 64,68,995 |
| Balance as at 31st March 2020 | — | — | 1% | (1,74,94,349) |
| HKR Roadways Limited | | | | |
| Balance as at 31st March 2021 | — | — | 9% | (29,93,99,417) |
| Balance as at 31st March 2020 | — | — | 12% | (32,70,03,995) |

42 The The Company's principal objectives are to provide infrastructural facilities either on its own or through incorporating and investing in special purpose vehicles. Consequently, the Company has significant investments in its jointly controlled companies and other entities. On the basis of assessment of the nature of business of the Company, duly supported by an independent opinion from an expert, the management is of the view that the Company is not a Non banking financial institution under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.

43 The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in foreseeable future.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

44 Segment reporting

Based on the Company's business model and considering the internal financial reporting to the management, the Company has identified only one reportable segment i.e. "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads"

45 Impact of Covid - 19

The entire world is collectively entangled in fighting the Coronavirus/ COVID-19 pandemic, businesses are facing several financial and physical hardships due to the mandatory government lockdowns. With there being no visibility regarding the duration of the lockdown coupled with the fact that no known cure or vaccine is available to fight the pandemic, everyone is left with great deal of uncertainty and anticipation over the 'new normal'.

"Due to COVID-19 pandemic, there is no impact on operational revenue in the FY 2020-21 and FY 2019-20. However due to shortfall of toll revenues of SPVs, there might be impact on returns from Investments in SPVs.

Impact of Covid - 19 on Subsidiaries, Associates and Jointly controlled entities

With respect to the Annuity projects and jointly controlled entities, Gayatri Jhansi Roadways limited, Gayatri Lalitpur Roadways limited, Hyderabad Expressways Limited and Cyberabad Expressways Limited have no impact due to COVID-19 pandemic during the year, as all the annuities were received and has no effect on the operations and performance of the entities.

With respect to wholly owned subsidiary Sai Maatarini Tollways Limited, due to COVID-19, the process of conciliation with NHAI is being delayed and the release of Termination Payment by NHAI is also delayed.

With respect to subsidiary Indore dewas tollways limited and Jointly controlled entity HKR roadways limited, due to COVID-19, toll collections was drastically reduced.

46 Disclosure relating to Wholly owned subsidiary

One of the Subsidiary company 'Sai Maatarini Tollways Limited' (SMTL) has issued a notice dated 9th March 2019 of "Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)" to NHAI to terminate the concession agreement and also issued "Termination Notice for the Force Majeure (Political Event) on 27th March 2019.

NHAI had issued a Notice dated 10.04.2019 of "Intention for Termination under clause 37 of the concession agreement dated 28.09.2011" stating default of the concessionaire. In response to this notice, SMTL replied in detail to NHAI that the default is not on part of the Concessionaire. Later the Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Based on that NHAI withhold the termination for 9 months. There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020.

SMTL, based on Authority's default, has rased a claim of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1999.28 Crs) strictly adopting the relevant clauses of the Concession Agreement.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

46 Disclosure relating to Wholly owned subsidiary (continued)

SMTL has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21st December, 2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,765.08 Crore (Rs. 1,961.2 X 90%) as per the provisions of the Concession Agreement.

This Petition was filed to protect the interest of the lenders and to remit an amount of Rs. 1,765.08 Crores to the Consortium of Lenders.

The proceedings of CCIE started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation. The company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.

SMTL engaged Deloitte as an exclusive financial advisor, based on the Deloitte report, SMTL wrote a letter to NHAI GM(T) dated 17.11.2020 requesting to release the Termination payment. As per the discussions with NHAI Officials it is found that NHAI is going to pay a mere amount towards Termination Payment.

The NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs an amount of Rs. 34,606 Lakhs is credited to the Companies Escrow account on 31.03.2021.

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule(2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, whereas the case is listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020

Whereas, Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (Order Application) for recovery of debts of Rs.2051,21,51,325.42 Ps on 05.10.2020, whereunder SMTL directed to file Written Statement . SMTL received all the documents on 17.03.2021 and they have to file the counter petition.

This is the Summary of Significant Accounting Policies and Other Explanatory Information referred to in our report of even date.

For **G.S. Sai Babu & Associates**
Chartered Accountants
Firm Regn. No: 014207S

For and on behalf of Board of directors of
Gayatri Highways Limited

Satya Sai Babu Gurram
Proprietor
M.No.:208341

M.V.Narasimha Rao
Director
DIN:06761474

G. Jagannadha Rao
Director
DIN:01059819

Place :Hyderabad
Date: 9th June 2021

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Hyderabad Expressways Limited



Gayatri Jhansi Roadways Limited



Cyberabad Expressways Limited



Gayatri Lalitpur Roadways Limited

Gayatri Highways Limited

CIN: L45100TG2006PLC052146

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